

RACING 44, 45
MY GLIMPSE OF
HELTENHAM GLO
BY JAMIE OSBORNE



Joanna Pitman writes on the city-suited life of a rugby star
Pages 14, 38



Emma Wilkins reports on rows at the world's greatest dog show, pages 7, 17



Yours today - a short break in the Brussels boulevards
Don't forget your passport, p13



THE TIMES

No. 65,216

THURSDAY MARCH 16 1995

White House seeks to mend fences

By MARTIN FLETCHER
IN WASHINGTON
AND PHILIP WEBSTER

'Decommissioning of the vast arsenals of paramilitaries must begin now'

THE Clinton Administration initiated efforts yesterday to mend its rift with Britain as it called for an immediate start to the decommissioning of the IRA's arsenal.

Adopting the British Government's line almost word for word, Richard Holbrooke, assistant Secretary of State for European Affairs, said that "non-violent constitutional parties cannot be expected to sit at a table with the political representatives of paramilitary groups who have retained the right to return to violence if they do not achieve their goals". It was confirmed in Washington last

night that the Holbrooke statement had been approved by the White House.

Mr Holbrooke's remarks, welcomed in Downing Street as an important advance in the American stance, came as yet another day went by without the long-awaited telephone conversation between John Major and Mr Clinton. They are expected to talk soon, but officials said that it was not certain that the call would take place before Mr Adams goes to a St Patrick's Day party at the White House tomorrow.

As the apparent difficulty in fixing up the discussion between

the Prime Minister and the President descended into farce, Tory MPs voiced satisfaction that Mr Major's message appeared to be getting home in Washington.

Mr Holbrooke said Sinn Fein and the loyalist parties in Northern Ireland should "immediately begin serious discussions on disarmament" and continued: "Decommissioning of the vast arsenals of loyalist and nationalist paramilitaries must be mutual, balanced and across the board. It must begin now and not wait the end of the talks."

Mr Holbrooke, appearing before the House International opera-

tions committee on Capitol Hill, said President Clinton had taken a risk letting Mr Adams raise funds in America despite Britain's objections and wanted the Sinn Fein leader to reciprocate. "The ball is now in Sinn Fein's court," Mr Holbrooke and the State Department had disagreed with Mr Clinton's decision to let Mr Adams raise funds but officials in Washington interpreted his remarks as a sign of concern within the Administration that it had given Mr Adams all he wanted but had received little in return.

British officials were naturally delighted by Mr Holbrooke's inter-

vention, which reflected what Anthony Lake, Mr Clinton's National Security Adviser, had told Mr Adams privately during a 30-minute meeting on Tuesday. Downing Street sources have been playing down differences between Mr Major and Mr Clinton. Officials said yesterday they would speak "as soon as they can, when their two respective diaries match".

Today Mr Adams will enjoy the biggest prize of Mr Clinton's munificence when he meets the President at the House Speaker's traditional St Patrick's Day lunch, completing his journey from pariah to statesman. The media will be

"stiffing the Prime Minister of England" while barring Lee Teng-hui, the democratically elected President of Taiwan, from America for fear of offending China. It said Mr Clinton was doing this because "there must be something in it somewhere for him".

□ A loyalist leader with links to Protestant paramilitaries will meet President Clinton at the White House tomorrow at the St Patrick's Day reception. Gary McMichael, leader of the Ulster Democratic Party, which has links to the Ulster Defence Association, said his trip to Washington was designed to counter Sinn Fein propaganda in America.

Leading article, page 17

Recovery may come too late, admits Clarke

By PHILIP WEBSTER AND PHILIP BASSETT

BRITAIN'S "feel-good" factor could be delayed until the next election in spite of improving economic prospects, Kenneth Clarke warned yesterday.

The Chancellor of the Exchequer said the Government would have to carry on delivering rising prosperity for another two years at least before people felt more secure and more comfortable.

Mr Clarke's remarks came on a day when encouraging economic figures for the Government on unemployment and retail sales were clouded by news of 1,300 job losses in the defence industry at British Aerospace.



P & O chief 'will work with Blair'

LORD Sterling of Plaistow (above), chairman of P & O and one of Baroness Thatcher's staunchest City supporters, said yesterday that he would work with a Labour government (Arthur Leavelle writes).

"Any sensible government that looks after our interests, we would work with," he said. He would be happy to work with Tony Blair if Labour had power.

However, that will be balanced today when the Japanese car maker Toyota announces the expected creation of 1,500 jobs as it doubles production.

Seasonally adjusted unemployment fell by 27,400 in February to 2.36 million, and retail sales rose 1.2 per cent over the previous month.

Mr Clarke's comments appeared to accept what many Conservative MPs fear - that the Government may not reap the political benefits of recovery in time for the election.

Labour exploited the remarks last night as "an astonishing admission that the Government's policies were not working". But Mr Clarke's advisers insisted that he was putting no time limit on the recovery of voter confidence in the Government's management of the economy.

However, his words were a reminder of last year's embarrassing leaked memorandum from John Maples, the Tory Deputy Chairman, to John

Major, warning that living standards would fall in the run-up to the election.

The absence of a "feel-good" factor is one of the reasons for pressure on the Chancellor from the Tory Right for tax cuts in the next two budgets.

But Mr Clarke, interviewed yesterday on *The World at One* on BBC Radio 4, promised to take whatever action necessary to keep inflation in check, and said he would not cut taxes before it was prudent to do so.

"If I can afford tax cuts, as a Conservative Chancellor, I'm only too willing and eager to do so. But I'm not going to undo the good work I've had by having tax cuts until, firstly, we have got spending and borrowing under control and until it is good for the economy," he said.

Mr Clarke said of yesterday's figures: "Potentially, it's

the best combination we've seen for a quarter of a century, 30 years, and we're the only European country that's combining a fall in unemployment with the steady growth which is ahead of all the others. But I've always said we've got to make it last. It's got to be sustained."

Ministers were delighted with both sets of economic figures. At 8.4 per cent, unemployment is at its lowest level for three years. It has fallen 338,000 over the past 12 months and by 607,000 since it peaked at the end of 1992.

But economists were sceptical about the 1.2 per cent increase in retail sales volumes in February over the previous month. Following figures from the CBI employers' organisation suggesting a slump in High Street sales. City analysts emphasised that sales volumes over a three-month period were just 0.1 per cent up on the previous quarter.

They said this figure - usually seen as a better guide to the trend - showed that retail sales were flat, confirming that there had been virtually no growth in sales volumes over the last eight months.

Gordon Brown, the Shadow Chancellor, said of Mr Clarke's interview: "This is an astonishing admission by the Chancellor, who clearly has no confidence in his own economic policy. He is admitting that people cannot feel good while they have been betrayed, with living standards falling and two more taxes still to come."

Toyota employs about 1,900 in the UK, mainly at its factory at Burnaston near Derby. Today's expansion is expected to create a further 500 jobs on the production line and another 1,000 in other areas of the industry.

The company is planning to build a second model alongside its current Corolla E mid-range saloons, which could mean a significant expansion



Bruce Grobbelaar, released on police bail, at last night's press conference

Soccer stars freed on police bail

By LIN JENKINS, JOHN GOODBODY AND STEWART TENDLER

BRUCE GROBBELAAR, John Fashanu and Hans Segers, the Premier League players arrested by detectives investigating allegations of match fixing, last night protested their innocence as they were released on police bail pending further inquiries.

Speaking through David Hewitt, his solicitor, at a press conference, Grobbelaar protested his innocence. The goalkeeper, who was omitted by Southampton for a crucial relegation match with West Ham last night, said nothing directly about the allegations, but thanked his club and fans for their support.

Mr Hewitt said: "Bruce has always strenuously denied the allegations... he maintains that denial now as emphatically as he has ever done. He has not been involved in any criminal act whether alone or with other people."

Grobbelaar also criticised the police for the manner of his arrest. He was taken from

his home in a dawn raid on Tuesday morning in front of a crowd of media representatives. Mr Hewitt said he would be asking Hampshire police for an explanation.

He said Grobbelaar, who was first interviewed about throwing matches in return for cash last year, would have gone voluntarily to a police station if asked. His passport had been taken away, but he had been assured that they would be returned. He needed them to play in the Africa Nations Cup next month.

After more than a day of questioning police also released on bail Heng Suan Lim, a Malaysian businessman based in London, and Melissa Kassa-Mapsi, Fashanu's girlfriend. All those released had been held after a four month investigation into claims that players took bribes from betting syndicates in the Far East to fix big matches.

Bookmaker held, page 5

Labour to ditch stand against opt-out schools

By JILL SHERMAN, POLITICAL CORRESPONDENT

LABOUR is planning to ditch its long-standing opposition to grant maintained schools next week in a key reversal of a policy on which the party fought the last election.

In what will be seen as one of the most important shifts of Tony Blair's leadership, David Blunkett will outline the party's plans to keep grant-maintained schools under a new "framework of democratic control".

The Shadow Education Secretary will use his speech at the Association of Heads of Grant-Maintained Schools next Wednesday to reassure head teachers that opt-out schools will continue to be able to run their own affairs.

He will say that the party has no intention of returning the management of the 1,030 grant-maintained schools to local authority control. Under the new proposals councils

will at best have an arms-length supervisory role.

Labour is also proposing to give local authority schools greater freedoms in an attempt to put all schools on a similar footing. Although Labour will abolish the central funding agency which allocates cash to grant-maintained schools, it will ensure that schools retain responsibility for their budgets. Opt-out schools will also continue to have the freedom to employ all their own ancillary staff, such as caterers and cleaners.

However, Mr Blunkett will signal the end of special favours for self-governing schools. He will spell out the principles behind any new proposals. They will no longer be given extra funding and they will not be able to select pupils on ability. Over the past few years grant-maintained schools have had significantly

more capital resources than other state schools.

Mr Blunkett is finalising a new policy document on education which will be published in June and put to the party conference in October. The proposals are expected to give further details of the "new framework of democratic control", to ensure greater accountability for opt-out schools.

The new policy is also expected to spell out greater freedom for all state schools. At present local education authorities distribute 85 per cent of their resources to schools and keep 15 per cent for inspection and advisory services and special needs. Labour is expected to propose that the amount handed out be increased to more than 90 per cent. Grant-maintained schools are now allocated 100 per cent of their funding.

MPs see red over plane that falls to bits

By MICHAEL EVANS
DEFENCE CORRESPONDENT

MEMBERS of Parliament expressed astonishment yesterday after Ministry of Defence officials admitted to "disastrous" cost overruns and delays of up to eight years in developing three battlefield spying systems for the Army. These have already cost more than £250 million and are still years away from being ready for service.

One of the projects, called Astor, an airborne surveillance system, is so far behind

schedule that there is still no decision on the type of aircraft to carry it after 15 years of deliberations, the MPs heard.

The story of the systems - Astor, Cobra and Phoenix - caused such shocked reactions at a Commons Defence Committee hearing yesterday that one MP referred to the Phoenix project, developed by GEC-Marconi, as "worse than disastrous".

The MPs demanded to know whether the company had learnt any lessons from past defence procurement horrors like the Nimrod airborne



The Phoenix spy plane

early warning system, also developed by GEC-Marconi, which was cancelled eight years ago after nearly £1 billion had been spent.

Phoenix, a remotely-controlled spy aircraft which is

costing £227 million, crash-landed so heavily that bits fall off. By the time it is ready for service, it will be eight years behind schedule.

Frank Cook, Labour MP for Stockton North, claimed Phoenix was known inside GEC as "the bugger-off" because it had a habit of not returning after being launched.

The MPs were told that even though the Phoenix project was a fixed-price contract, the MoD had agreed to pay GEC-Marconi an extra £16 million. Winston Churchill, Tory MP for Davyhulme, said: "I find it

quite fantastic the system can be eight years late, not come up to specification, and yet you pay significantly more taxpayers' money to the contractor."

Dennis Maines, MoD director-general of guided weapons and electronic systems, said a review of the Phoenix programme was now nearly finished and ministers would have to decide whether to scrap the programme.

The third system, Cobra, is a counter-battery radar system. The original specifications were issued in 1983; it is five years behind schedule.

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INDEX	
Accountancy	38
Arts	29-31
Births, marriages, deaths	18
Body and Mind	15
Books	32-33
Business	21-27
Bridge	35
Chess	35
Court and Social	18
Crossword	20
Diary	16
Leading articles	17
Letters	19
Obituaries	35-38, 40
Sport	34
Times Two Crossword	40
Travel	34
Weather	20
TV & Radio	38, 39

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Freyberg hailed for pensions victory

Shy grandson of Gallipoli VC is war widows' hero

By Alice Thomson, Political Reporter

A 24-YEAR-OLD sculptor, grandson of a First World War hero, has become the unlikely toast of the House of Lords.

Peers from all sides of the House were patting Lord Freyberg on the back in the tea room yesterday after he led a humiliating defeat for the Government over war widows' pensions on Tuesday night.

While Lord Freyberg's grandfather, a VC holder, made his name at Gallipoli by smothering himself in tar and swimming naked in a freezing sea for two hours to light decoys, the third baron has chosen a more passive route.

Lord Freyberg believes that, 50 years after the Second World War, Britain's 40,000 war widows are being treated shabbily and the Government is "cruel and inhumane" in its refusal to continue a war widow's pension if she remarries — the reason he believes why so many war widows do not remarry.



1st Baron Freyberg VC at Gallipoli

no intention of becoming embroiled in the "deeply boring business of politics". He was not even sure he agreed with hereditary peers in the Lords until a Labour MP asked him to consider making his maiden speech not on funding for impoverished young artists but on war widows.

Lord Freyberg obliged. He would have left it at that if after his speech Lord Mackay had not mistakenly told the Lords he was sure the young peer would find an ingenious amendment to take his cause

forward in the Pension Bill. Lord Freyberg, who is more used to trust funds than pension slips, decided to rise to the challenge. Having read sackfuls of distraught letters from war widows saving up for hot-water bottles and who had not enough money to feed their cats, he began planning his strategy.

"The other peers were incredibly helpful. I had no idea how long I was supposed to speak for, whether I was allowed to make any jokes or how I could whip up the support of other peers, but I had two field marshals and a chief of staff cheering me on," Lord Freyberg said.

For the last two months the peer has devoted himself exclusively to his widows, shunning all social life and taking naps in the Lords library. On Tuesday night his three elder sisters, Annabel, Christina and Venetia, were all watching with scores of people from the Officers' Pensions Society and the War Widows' Association.

"The most terrifying peers were the former Treasury men who obviously thought I was being extravagant and sentimental, and when I saw Lady Thatcher I thought, 'Oh my God', but even Tory front-benchers have congratulated me now," he said.

All three parties are falling over themselves to sign Lord Freyberg as a dazzling new frontbencher, but he has decided the Lords is too frantic for him and is ready to return to his sculptures.



Lord Freyberg in front of the Guards memorial at St James's Park yesterday

Boy blames his father's death on mother's affair

By A Staff Reporter

A TEENAGE boy stunned an inquest with an outburst in which he blamed his mother's close friendship with another man for his father's suicide.

Patrick Thompson, 16, then said: "My father believed my mother was having an affair with a work colleague called Ken. I heard him challenge Mum about it. I found an envelope full of letters and gifts from Ken. I am sure Dad must have seen them. They were love poems, letters, cards and presents."

"My Dad went up to where my mother works at the University of Buckingham, and accused Ken of sexually harassing Mum. I heard a lot of arguments and Mum admitted she was seeing Ken. I am sure what Dad did was connected with what was happening."

Patrick's speech was heard in silence by the coroner and family, at the inquest at Stoke Mandeville Hospital, Aylesbury. When her son began speaking, Mrs Thompson looked at the floor. She shook her head slightly as he mentioned the relationship. The North Buckinghamshire Coroner, Rodney Corner, then turned to her and asked: "Why didn't you mention this when you gave your evidence?" She replied: "It didn't seem either important or relevant."

Mrs Thompson found her husband's body on January 9 in the garage of their home in North Marston, Buckinghamshire. He had died from carbon monoxide poisoning from car fumes.

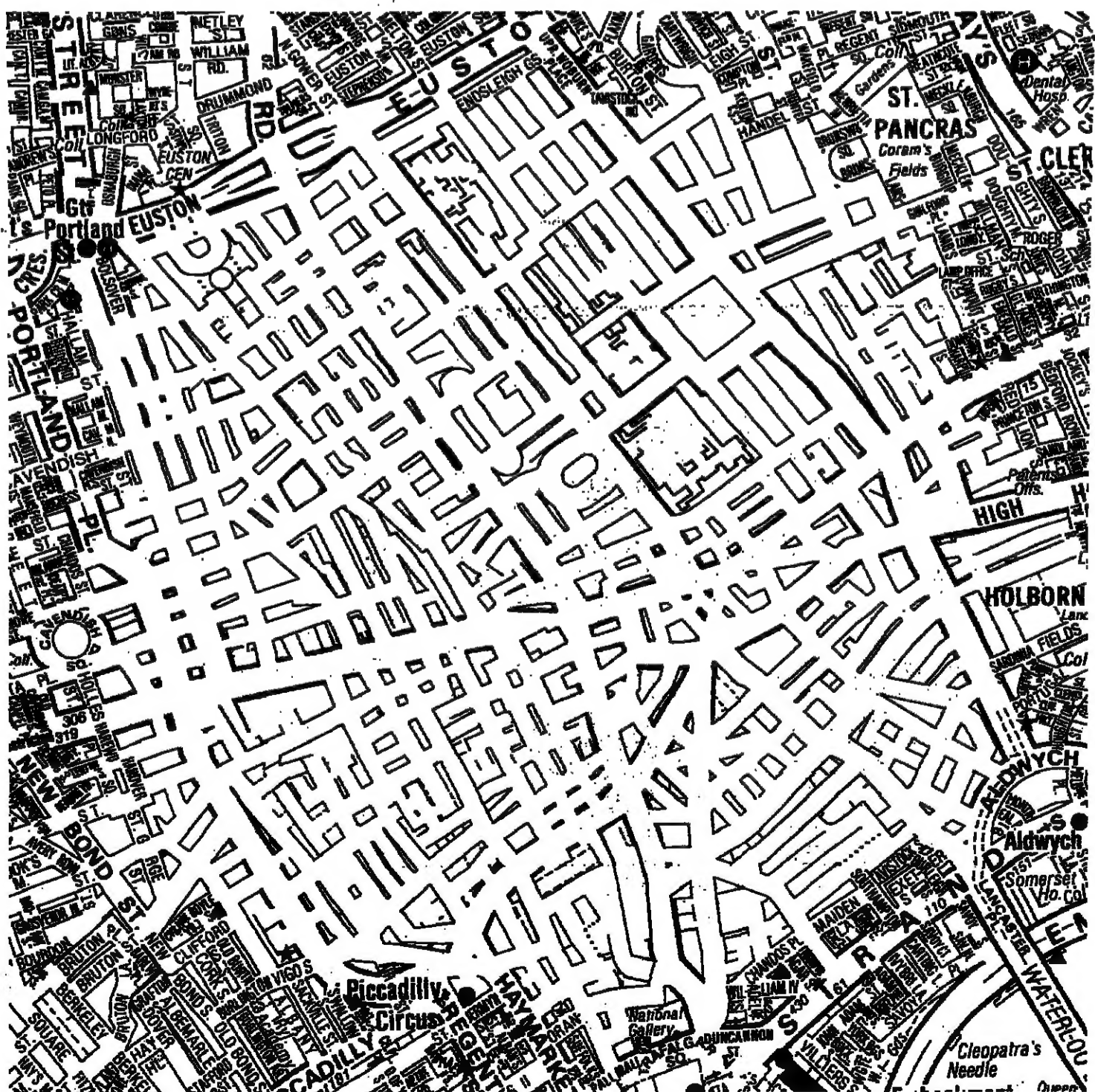
In her evidence, Mrs Thompson said her husband, a data manager, had had financial worries for a number of years. "He was always worried about the mortgage," she said. "He had his own business which earned £50,000 a year but when the work dried up we had to go on income support."

Mrs Thompson showed no emotion as the coroner asked about their life together. She said: "I think the marriage would probably have come to an end eventually. The feeling had gone on my side and he knew that."

Recording a verdict of suicide, Mr Corner said: "There is no doubt that this marriage had been corroding. Mrs Thompson developed a friendship with someone called Ken and it was obviously a very close friendship indeed. Mr Thompson presumed she had another man and the effect on him was devastating."

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Cult woman to sue friend for damages

By Andrew Pierce

A WOMAN cult member who was the victim of an attempted abduction by a friend who believed she had been brainwashed is to sue him for the trauma she suffered.

Stephen Cooper, 27, was cleared by a jury at Lewes Crown Court on Tuesday of attempting to kidnap his former flatmate Kathleen Wilson, 23, from the Church of Scientology's headquarters in East Sussex.

Scientists were outraged by the decision, because Cooper had confessed to the abduction attempt but pleaded in his defence that Miss Wilson had been robbed of her free will by the cult. Yesterday the Church of Scientology said Miss Wilson was issuing a writ.

A spokesman for the cult said the action would be pursued vigorously. "She suffered a gross affront to her dignity. She is entitled to exemplary damages."

Women in police 'are favoured'

By A Staff Reporter

A COMMANDER in the Metropolitan Police said yesterday that women in the force were given preferential treatment because "a minority in an organisation has to be treated with just a little more care".

Commander Tom Laidlaw told an industrial tribunal that female officers should have the balance tipped in their favour when it came to resolving disputes. But Mrs Marjorie Don, the chairman of the hearing at Woburn Place, central London, suggested this amounted to sexual discrimination against men.

Commander Laidlaw was giving evidence in the case of Sergeant Leslie White, who is claiming sexual discrimination against the Metropolitan Police after he was forced to transfer stations because of a dispute with a female colleague, WPC Maureen McGinley, 34. He claimed he was advised to go quietly because he would never win a case against a woman.

Commander Laidlaw, who made the decision to transfer Sergeant White, said: "One of the problems in the police is we are accused of being a

macho organisation. We do have young ladies coming in. If it means the balance is tipped slightly in their favour then that is what I do."

Mrs Don said: "This could be referred to as reverse discrimination."

Commander Laidlaw replied: "It could be but I would like to think it would be referred to in a very mild way."

Mrs Don asked Commander Laidlaw: "Had it occurred to you WPC McGinley may have raised a malicious grievance against Sergeant White?"

He replied: "I was satisfied that was not the case. The case was about a supervising officer describing a junior officer to other junior officers and in the course of that conversation using the expressions 'dangerous woman' and a 'feminist'."

"In the context he did not mean to damage her but she found it extremely distressing. An apology was not forthcoming and positions became more entrenched to the extent I thought they could not work at the same station."

The tribunal is expected to finish today.

Scientists flock to put their heads in the cloud

By Nick Nuttall

THE misty tops of a Lake District fell is being transformed into an exotic experiment as scientists, armed with vacuum suction machines and special bottles, come to catch clouds.

About 11 million has been given to 37 scientists from countries including Austria, Germany and Slovenia to collect clouds on Great Dunfell, Cumbria.

Dr Keith Bower, an atmospheric physicist from the University of Manchester's Institute of Science and Technology, said yesterday that the 3,000ft fell had two ridges that attracted condensation, allowing researchers to collect clouds as they formed.

Dr Roy Colville added: "We do tests at UMIST then via a computer network send the raw results to the other institutes."

Professor Axel Berner of the Institute of Experimental Physics in Vienna, said: "This is the best spot in the world to collect clouds. There is nowhere else quite like it."

SATURDAY IN THE TIMES



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6 385

Gun-toting drug gangs turn town into battlefield

By Gillian Bowditch, Scotland Correspondent

THE once-thriving Victorian town of Paisley has become the drug centre of the West of Scotland as gun-toting gangs battle for territorial rights.

Andrew McLaughlin, 31, was shot dead on the doorstep of his home on Tuesday in the fifth gun-related incident in the area in 48 hours. Yesterday Strathclyde Police promised to stamp out a resurgence of gun culture in the town.

Mr McLaughlin, who had been watching television in his home in Linwood on the outskirts of Paisley, went to the door after hearing a noise. Police believe he was killed on the doorstep by up to three gunmen. His daughters Nicola, 14, and Louise, 13, were playing outside. Mr McLaughlin's death is being linked to drugs and to two shootings in Paisley on Sunday when two men aged 36 and 50 were injured, one seriously.

On Monday, in a separate incident in the town, a young couple and their three-year-old son were held hostage in their home by an armed man. The gunman escaped and the couple were in hiding yesterday.

In January a man was shot

in a drug-related incident in the town's notorious Ferguslie Park estate. Gordon Petrie was shot at his home in the early morning in what is believed to have been mistaken identity. Police have not ruled out a link between this incident and Mr McLaughlin's death.

Residents of Paisley, known as Paisley Buddies, have become increasingly alarmed at the outbreak of violence in the town, which is best known for its 19th-century architecture and industry. Figures to be released tomorrow are expected to show drug-related incidents in the area up by nearly 50 per cent last year.

In Victorian times, Paisley was a thriving centre manufacturing Paisley shawls, which were exported to fashionable women all over the empire. The thread baron J.P. Coats set up his red-brick factories on the back of this industry and became the main benefactor to the town.

He funded the Coats Memorial Church, the magnificent wedding-cake church in the town centre, which has become known as the Baptist cathedral of Europe. The town also boasts a medieval abbey



and in its heyday supported three newspapers.

Today the thread mills stand dilapidated, their windows smashed and their roofs stripped of lead. Unemployment in the town is above the Scottish average. A supermarket stands on the site of the Chrysler car plant, the last big employer in the region to close.

In the place of legitimate industry the drug dealers have moved into Paisley, taking advantage of the good rail, road and air links to other parts of the country.

Irene Adams, the Labour MP for Paisley North, who is campaigning for extra policing for the area, points out that Paisley is closer to the centre of Glasgow than many of the

city's outlying housing estates. "The police are doing a good job but their resources are stretched," she said. "We have to tackle the underlying drugs problem."

Police said yesterday that they were in control of the streets of Paisley but admitted they were disappointed in the limited response to Mr McLaughlin's death. Detective Superintendent Bill Gordon, the officer in charge of the inquiry, said: "I am convinced that there are members of the public who hold vital information about this particularly brutal incident."

Chief Superintendent Michael Currie, divisional head for the area, said: "What we are now seeing is what appears to be a resurgence of the gun culture but we remain determined to deal firmly with this problem. High-profile policing will be evident as we continue to clamp down on criminal activity in Renfrewshire."

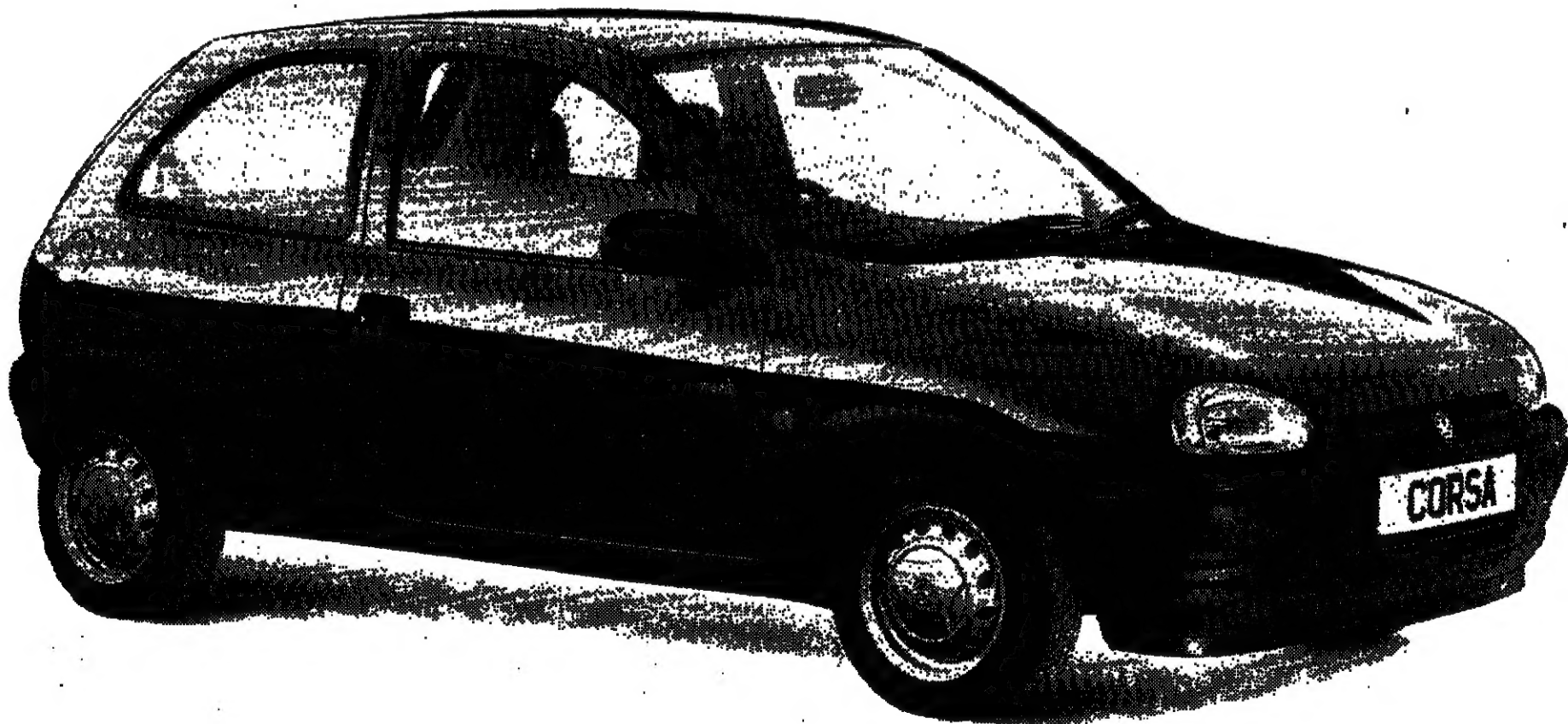
"My message to those members of the community who continue to be involved in firearms crime is simple — you will be relentlessly hunted down. This type of behaviour will not be tolerated."



A pygmy hippopotamus named Hope, born at Edinburgh Zoo last month, paddling yesterday with her mother. The species is vulnerable because of the destruction of rainforests on the west coast of Africa

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THE CORSA FROM VAUXHALL

Consultants reject criticism

By Jeremy Laurance, Health Services Correspondent

SENIOR consultants yesterday attacked a claim that they were neglecting their duties for lucrative private practice.

The Audit Commission said the quarter of consultants with the largest private practices did least for the NHS. A third of consultants missed a tenth of their out-patient clinics or operating sessions and junior doctors were often left unsupervised for tasks beyond their competence.

Professor Sir Norman Browne, President of the Royal College of Surgeons, accused the commission of exaggerating from a sample of 20 or 30 consultants in a dozen hospitals compared with a national total of 16,000 in more than 400 hospitals.

James Johnson of the BMA said: "The main reason for not attending out-patient clinics is because the management has called some sort of management meeting."

He welcomed the support his daughter had received.

"Without the help of the press, without the wave of public support, I think she would be at home deteriorating in front of my eyes."

Father tells why therapy was chosen

By Michael Horsnell

THE father of the ten-year-old girl receiving private treatment for leukaemia after a High Court battle explained yesterday why the family decided to go ahead with further chemotherapy.

"Anybody who saw her today going through her therapy and looked at the child would have realised that she's in no more pain today than she would have been on any other normal day — and she now has a chance," he said.

Speaking on GMTV, the father said his daughter was not fully aware of the seriousness of her illness. "She has been going to the hospital over the past six weeks or so and every other day she's having some sort of treatment. I said to her would you like to carry on having that or would you like to go through a major block of treatment involving chemotherapy to cure what you've got? ... And she said: 'Yes, I'm quite happy with that.'"

He welcomed the support his daughter had received. "Without the help of the press, without the wave of public support, I think she would be at home deteriorating in front of my eyes."

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THE TIMES
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By Francis...

MILLIONS of pounds of public money is being sought by judges, lawyers and barristers in obscure and criminal law cases.

In its annual Law Commission report, although speedily had been taken into account, the Commission did not exist in the past.

Sir Henry, a man of the law, such as the Commission's "barbaric" House of Lords where a man of the law, a grievous mistake was made the way to the law and then the law was money. The Commission knows money is a quack because the law is given the law and the law is given the law and the law is given the law. The Commission knows money is a quack because the law is given the law and the law is given the law. The Commission knows money is a quack because the law is given the law and the law is given the law.

Keep civil disputes out of court says lawyer

By Francis...

A SEACHANGE in the civil disputes are resolved urgently needed to save a legal system that delays a leading lawyer last night.

Lord Alexander, a former Bar chairman and now chairman of the National Westminster Bank, said that court litigation should be a resort. Lawyers should solve disputes with the minimum of cost and trauma.

"There is a whole change necessary in the approach to dispute resolution," he said in a lecture to the Council of Legal Education in London.

"Possibilities include mediation or conciliation, binding arbitration, trials or executive tribunals and judicial settlement references."



Handel and Hendrix Pop rocks

By Dalia...

LOVERS of classical are sounding a discord over the prospect of a plaque dedicated to a pop even one as legendary as Hendrix. Being put up in a house next to George Handel's London home in Mayfair for 30 years, Hendrix lived next door to Handel in the late 1960s.

The Handel House wants to turn the ruins into a museum dedicated to Hendrix, but fans of the rock guitarist are pushing for a plaque on No. 25.

Application was made for Hendrix to be made a former lover of Hendrix and one of his phers, Harry Shapiro.

Nell Storey, who Hendrix's estate, believe there as Handel's Handel society is fighting not to be put up. It was an artist of great two. But in their own both were regarded as edge musicians.

Stanley Sadie, chairman of the Handel Society, said: "Hendrix was a great musician, but he was not a Handel."

Law reform chief attacks 'obscure and antique Acts'

By FRANCES GIBB, LEGAL CORRESPONDENT

MILLIONS of pounds of public money is being wasted by judges, lawyers and police seeking to apply "antique, obscure and impenetrable" criminal laws, the Government's law reform body said yesterday.

In its annual report, the Law Commission said that although speedy procedures had been agreed by Parliament for tackling civil law reform, the same machinery did not exist for criminal law.

Sir Henry Brooke, chairman of the commission, said much of the criminal law, such as the Offences Against the Persons Act 1861, was "garbage". He cited one case where a man convicted of grievous bodily harm went all the way to the House of Lords and then back to the Court of Appeal — "after goodness knows how much public money" — to have the conviction quashed. That was because the judge had not given the jury proper directions on what was a "completely out-of-date" law. "Bad law wastes money."

In the past six months, Sir Henry added, six criminal cases involving cases of wounding, actual or grievous bodily harm had come before

the Court of Appeal where convictions had been set aside because of misdirections by the trial judge over what the law was on self-defence.

"When you consider that a Crown Court trial costs £7,500 a day, then for each half hour that counsel and the judge is bogged down trying to work out what the law is, it costs £800."

On top of that there were costs in the Court of Appeal, of keeping someone in custody, and of the magistrates' court hearing, he said. "I don't blame the judges," Sir Henry said. "I blame Parliament."

The Law Commission had published proposals to simplify the criminal law both on offences against the person and on the use of force in self-defence, but those were still awaiting enactment. Sir Henry welcomed the "dramatic" change of attitude on civil law reform, resulting in a new, speedy procedure for Bills to go through Parliament.

Sir Henry said that much of civil law remained muddled. "Large swaths of trust law and landlord and tenant law, to cite two examples, are antique, obscure and impenetrable, and the bill for bad law goes to those who have to use it."

Simpler law would save legal fees. "English lawyers are so accustomed to regarding their journeys through English law as if it was G.K. Chesterton's rolling English road that they do not always appreciate that if the law was made simpler, their clients' bills would be smaller."

He also urged further procedural reform to clear the backlog of parliamentary Bills. Parliament should be able to receive evidence on Law Commission Bills throughout the year and not only from January to June, as happened now.

Sir Henry said that Parliament had always opposed putting criminal law Bills through a speedy procedure because they were often used as vehicles for policy issues. But an exception could be made for Law Commission Bills that had all-party support. "Some way must be discovered whereby the needs of members of the House of Commons can be effectively reconciled with the need to convert the bedraggled state of the criminal law into an efficient working tool for law enforcement."

□ The Law Commission 29th annual report 1994 (Stationery Office, £12.80)

Leading article, page 17



Handel and Hendrix, said to have sold more records

Pop plaque plan rocks classicists

By DALYA ALBERGE, ARTS CORRESPONDENT

LOVERS of classical music are sounding a discordant note over the prospect of a plaque dedicated to a pop star, even one as legendary as Jimi Hendrix, being put up on the house next to George Frederick Handel's London home.

Handel lived at 25 Brook Street in Mayfair for 36 years; Hendrix lived next door, at No 23, in the late 1960s.

The Handel House Trust wants to turn the two buildings into a museum devoted to Handel, but fans of the great rock guitarist are pushing for a plaque on No 23. The application was made to English Heritage by Hendrix's former lover Kathy Etchingham and one of his biographers, Harry Shapiro.

Neil Storey, who represents Hendrix's estate, believes that there is as much right to be there as Handel. "The Handel society is fighting for it not to be put up. Hendrix was an artist of great importance. You can't compare the two. But in their own time, both were regarded as cutting-edge musicians."

Stanley Sadie, chairman of

the Handel House Trust, said: "We've known for years that Hendrix lived in 23. But a plaque can only be put up with the owner's permission." He explained that the trust was planning to buy the building from the Co-operative Insurance Society.

He added that some mention of Hendrix could perhaps go inside the house "or some other way". "Personally I'm not terribly interested in that kind of music, but of course he is an important figure in the history of pop music."

Ms Etchingham, Hendrix's girlfriend from 1966 to 1969, said: "I'm dumbfounded at their reaction. Hendrix lived at 23. Handel didn't. He lived next door. Hendrix wrote some of his famous scores there. I'm shocked by their reaction. Hendrix has sold more records than Handel. He's more relevant to today's society than Handel."

A spokeswoman for English Heritage said its advisory commission had decided such a plaque "would be of interest" and had written to the Co-operative Society.



A saleswoman waiting for punters yesterday at a lottery shop in Kuala Lumpur

Blind bookmaker is held in match-fixing inquiry

By MGG PILLAI IN KUALA LUMPUR

A BLIND bookmaker who has never seen a football match and yet makes £5 million a month from the game was in detention in Kuala Lumpur last night as the scale of illegal betting on the game became clear.

Malaysia has been linked with allegations that the result of English league matches have been fixed and leading players bribed to lose matches. The Malaysian government has not named the 50-year-old bookie at the centre of a business which is thought to be worth at least £1.25 billion a year in Malaysia alone. If business in the rest of South-East Asia is taken into account it could be twice that amount.

The man implicated by the inquiry is thought to have masterminded one of the biggest soccer bribery scandals in the history of the professional game. He reportedly used a relative's business premises in Kuala Lumpur from which he dispatched a team of runners who bribed people to cheat in matches. The heart of the illegal betting and fixing of matches is in Singapore where a bookmaker recently

admitted offering a goalkeeper £26,000 to fix a match.

In Malaysia more than a hundred soccer players are under arrest for their alleged roles in match fixing, with 80 banned from league matches, and 22 sent into internal exile. At one point the scale of the problem was so severe that it was feared that the Malaysian soccer league might collapse but the focus for many remains the FA Carling Premiership in England.

An official from Interpol arrived in Malaysia yesterday to gather further information about betting syndicates.

Malaysian police have begun a clean-up, but they face an unenviable task. The superb telecommunication system available to bookmakers — especially the cellular telephone — keeps them several steps ahead of the authorities. One police officer said: "We only knew how bad it was when we began investigating it."

Then the dominoes began to fall, as prominent league players found themselves detained and shunted into restricted residences in an effort to keep them separate from

the syndicates. But with gambling rife, and the provision of illegal services, it became difficult to curtail. A Malaysian columnist, Tengku Adnan Mansor, said that the syndicates control "almost everything connected with lucrative sport".

A football team manager and a player are currently on trial in Singapore charged with fixing the result of an important match involving Singapore in the Football Association of Malaysia Premier League.

One former football official said match fixing was not new. "What is, is the emergence of syndicates prepared to fix matches," he said. "They are well funded, operate behind a screen of runners who collect bets and settle with those who win."

"They have links to the underworld and are completely amoral. They moved into London as an extension of their operations, and the fact that football results there are widely reported in the local newspapers. Also, gambling on the London football matches is not allowed in Malaysia."

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THE TIMES

Vets' craze dog

MORE than 100 reported to the Royal Society of Veterinary Medicine in 1988. As some of the breed's owners in Birmingham, the day of the RSVS college, considering the professional discipline to remove the breed from the list.

TOP 10 FAVOURITE

THE cocker spaniel is the most popular breed in the UK, according to a survey by the Kennel Club. In 1988, the most popular breeds were:

- 1 Cocker spaniel
- 2 Smooth-haired fox terrier
- 3 Bulldog
- 4 Wire-haired fox terrier
- 5 Rough collie
- 6 Scottish terrier
- 7 Airedale terrier
- 8 Irish setter
- 9 Puli
- 10 Cocker spaniel

Campaign

By Jonathan Pugh and Gillian Rowland

THE high-profile campaign to save the West Highland White Terrier from extinction is now being run by the Scottish National Party. The party's "grottoes" campaign is aimed at the loss-making terrier, which is being scrapped by the government. The campaign is being run by the SNP, which is a major force in Scottish politics.

Now mortgage phone

Interest rates and borrowers into highly automated mortgages with telephone calls.

There is a mortgage market between lenders who are trying to attract new business by offering increasing interest rates. And you the customer can make sure you win this war by you probably need to contact lenders to do this.

With interest rates increasing, the most sensible offer is available today and rates. These provide real security. Most lenders are forecasting a rise in mortgage rates of 20% by the end of this year. This means a borrower with a 10% interest rate will have to pay out an extra 20% per year compared with a 10% rate.

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%	£50,000
7.50	250.00
8.00	260.00
8.50	270.00
9.00	280.00
9.50	290.00
10.00	300.00
10.50	310.00

variable rate at the start of the year. So if you can fix the rate, you level the savings. Can potentially be huge. Even bigger if you have a mortgage rate that has risen around 11% over the last year. So, how do you take advantage of this opportunity without all the hassle you remember from the last time you switched? The answer is to switch to a fixed rate through a free of charge call to First Mortgage Securities. FMS is the leading direct mortgage business in the forefront of a new trend which is

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Vets' royal college cracks down on dog tail docking

BY EMMA WILKINS

MORE than 20 vets have been reported to the Royal College of Veterinary Surgeons for flouting rules against the cosmetic docking of dogs' tails, it emerged yesterday.

As some 20,000 dogs and their owners gather in Birmingham for the opening day of Crufts today, the college (RCVS) said it was considering redrafting its professional code of conduct to discipline vets who continued to remove tails for cosmetic

reasons. While the Kennel Club argues that docking does not cause suffering, the RCVS regards the practice as an unjustified mutilation.

In 1993, laws came into effect that made it illegal for anyone other than a vet to dock tails. This is the first year that dogs that could have been protected by the legislation will be old enough to be shown at Crufts.

The RCVS, which says 95 per cent of vets are abiding by

its guidelines, must show that a vet is routinely docking before it can begin disciplinary action.

Walter Beswick, chairman of the RCVS's docking working party, said that cases were difficult to prove. "We are currently redrafting our code and we are looking very closely at the question of routine docking," he said. "The need to prove routine docking is causing problems. It is unlikely, for example, that the person who wants the docking done is going to come forward as a witness."

Vets found guilty of routine docking would face tough disciplinary action, Mr Beswick said. "Sooner or later a case is going to come before the disciplinary committee and we will take vigorous action."

Despite widespread abhorrence at docking among amateur pet owners, the practice remains popular with breeders. Mr Beswick said he expected a large number of show dogs at Crufts to have had their tails docked.

"It will be interesting to see how many of the show breeds are undocked. The breeders who show customarily docked breeds, such as boxers and rottweilers, continue to dock their tails for no other reason except tradition. That really is not acceptable," he said.

Some breeders are continuing to dock tails illegally —



Last year's Crufts's supreme champion Buttons, a black and brown Welsh terrier that had been docked, with its handler Frank Kellett; and, right, English springer spaniels shown in undocked and docked styles



TOP 10 FAVOURITE BREEDS NOW AND THEN

THE cocker spaniel is one of the most enduringly popular breeds for British dog lovers, holding places in the top ten most in both 1908 and 1994. In 1908, when 535 dogs were registered by the Kennel Club in Britain, it was the tenth most popular. Last year, with 12,808 registered, it came sixth.

Terriers of various types have also proved consistently popular over the years. In 1908 the most popular breeds were:

- 1 Pomeranian
- 2 Smooth-haired fox terrier
- 3 Bulldog
- 4 Wire-haired fox terrier
- 5 Rough collie
- 6 Scottish terrier
- 7 Airedale terrier
- 8 Irish setter
- 9 Fildesee
- 10 Cocker spaniel

In 1994 the most popular breeds were:

- 1 Labrador retriever
- 2 German shepherd
- 3 Golden retriever
- 4 West Highland terrier
- 5 Cavalier King Charles spaniel
- 6 Cocker spaniel
- 7 Yorkshire terrier
- 8 English springer spaniel
- 9 Boxer
- 10 Staffordshire bull terrier

Fox terriers and Scottish terriers have fallen foul of fashion trends since the turn of the century. While the rottweiler failed to make an appearance on last year's list of the top 20 British breeds, this year it has risen to 14.

One of the most long-loved breeds is the Cavalier King Charles spaniel, 13th most popular in 1908 and now up to 5th.

Campaign fails to save West Highland sleeper service

BY JONATHAN PRYNN AND GILLIAN BOWDITCH

THE high-profile campaign to save the West Highland sleeper appeared doomed to failure yesterday after British Rail announced that it would run for the last time on May 28. Scottish MPs accused ministers of a "grotesque breach of faith" by allowing the loss-making, 94-year-old service to be scrapped so quickly.

Campaigners for the sleeper, which links Fort William with Euston station in London and is seen as vital to the Highland economy, plan to challenge the decision in the

courts because local communities were not consulted.

British Rail said it could not justify retaining a service that was losing £3 million a year at a time of severe financial constraints.

As well as the West Highland sleeper, known as the Deersalker Express because of the large number of peers and Scottish landowners who use it, British Rail is cutting overnight trains between the West Country and Scotland and all Motorail services between England and Scotland. The surviving sleeper services to Scotland will be restructured so that two trains a night cross

the border in each direction instead of the present five.

A spokesman for British Rail said that its Anglo-Scottish sleeper services, which carry about 200,000 passengers a year, were the biggest loss-makers on the network, requiring a subsidy of £24 million a year. The cuts will save £7 million a year, including the £3 million cost of the West Highland sleeper.

The 60 British Rail employees based in Fort William said job losses would inevitably follow. One said that the sleeper was running at full capacity. "It's choc-a-bloc. Especially on a Thursday or Friday night. It's

impossible to get a berth at present."

Neil Clark, chairman of Lochaber District Council, which has lobbied hard to keep the sleeper service, said: "This is devastating news for Lochaber. It is our link with the metropolis. The nearest airports are Glasgow and Inverness and they are 80 and 100 miles away. The decision will have a very serious effect on tourism and we believe around 20 jobs will go at British Rail."

"It makes a sham of the consultation process. When we lobbied in London last month we were given an assurance by Sir Hector Menzies that there would be a full and fair

consultation process. This was backed up by Lord James Douglas-Hamilton. This Government is devoid of all moral fibre."

Charles Kennedy, the Liberal Democrat MP for Ross, Cromarty & Skye, said the decision to scrap the sleeper and Motorail services was particularly hypocritical, given that £4 million is to be paid to consultants for advice on franchising.

"Four million pounds extra can be found ten months into the financial year to pay off professional advisers and consultants. Yet there is not a penny more for the travelling public," he said.



Kennedy: critical of £4m consultants' fees

Icy road victim gets £300,000

A man who suffered brain damage after his car skidded on an icy road received £300,000 damages in an out-of-court settlement yesterday.

Douglas Mullings, 45, of Thetford, Norfolk, sued Norfolk County Council claiming that the road at Mundford was not properly gritted. Mr Mullings, a former mechanical fitter, was on his way to work in February 1988 when his car slid across the road and hit an oncoming lorry. He was in a coma for two weeks and in hospital for four months. Norwich Crown Court was told.

'Surfer' inquest

A boy of 14 died when he slipped from a vehicle's bonnet while "car surfing". An open verdict was recorded on Ian Storey of Sunderland, who was crushed under the wheels of the car, driven by his mother's boyfriend.

Worker frozen

An ice cream worker froze to death after the door of a walk-in freezer slammed shut behind him. Paul Edmunds, 19, was found by staff arriving for work at the Haagen-Dazs shop in Stratford-upon-Avon.

BR driver hurt

Doctors removed fragments of glass from a train driver's eye after a brick was thrown through his cab window from a footbridge near Northfleet, Kent, during peak travel time on Tuesday evening. Police are investigating.

Cleared man dies

Francis McGill, 39, cleared of the IRA murder of Earl Mounbatten in 1979, died when his tractor overturned in Ballinamore, Co Leitrim. His co-accused, Thomas McMahon, had been jailed for life.

£166,000 Bible

A first edition of the Bible in Basque from the library of the sixth Marquess of Euse sold for £166,500 at Christies in London. The Bible is one of only two dozen that survived the St Bartholomew's Day massacre of Huguenots.

Now mortgages are fixed by phone in just 15 minutes

Interest rates continue to rise and borrowers are locking into highly attractive fixed-rate mortgages with one free telephone call.

There is a mortgage war going on between lenders who are trying to attract new business with ever increasing incentives on offer. And you the customer can make sure you win this war, but you probably need to switch lenders to do this.

With interest rates set to increase the most sensible of the offers available today are fixed rates. These provide real financial security. Most lenders are forecasting standard variable mortgage rates at around 9% by the end of this year. This means that a borrower with a £50,000 interest only mortgage would have to pay out an extra £410 a year compared with a typical

set to revolutionise the way people obtain mortgages in the UK. It's already happened in Home and Motor Insurance.

One simple 15 minute call to First Mortgage Securities is all it takes to find out the best mortgage deal for you. Your call is free and a friendly professional consultant will discuss your needs. They can answer any questions you may have and will let you have a decision in principle straight away. Even the paperwork is dealt with over the phone, all you have to do is check and sign it.

Unlike other lenders who claim to deal direct FMS offers a total mortgage service which aims to get you the most competitive



The whole mortgage process can now be handled by telephone

(APR 4.9%) for one and a half years to 8.74% (APR 10%) until the year 2000. They can even offer 100% loans — one of the few companies to do this. Or for customers with more than 25% equity they have a completely cost free remortgage at 7.99% (APR 8.5%) until January 1998. For this there are no arrangement fees, no valuation or legal fees, no compulsory insurances and FMS will even pay legal disbursements up to £250.

London-based FMS pioneered fixed-rate home loans introducing them to the UK in 1987 and is at the cutting edge of the mortgage market. Concentrating solely on providing mortgages they have a strong reputation for designing products that really meet your needs.

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branch network to maintain.

So don't just think about getting a better mortgage, pick up the phone now. If you don't you may regret it by next year.

The APR is based on a typical example of a repayment loan of £45,000 for a remortgage of £50,000 for a loan term of 25 years with a fixed rate of interest of 7.99% per annum until 1 January 1998 and thereafter at the equivalent variable rate (assumed to be 7.99% per annum). Loan to be repaid after 300 monthly payments of £351.00 gross (£314.25 net of MARS on £30,000 at 20%). Total amount payable £103,300. Security over property and a suitable life assurance policy will be required. Loans subject to status. Written quotations available on request. First Mortgage Securities, Brettenham House, 14-15 Lancaster Place, London WC2E 7EP.

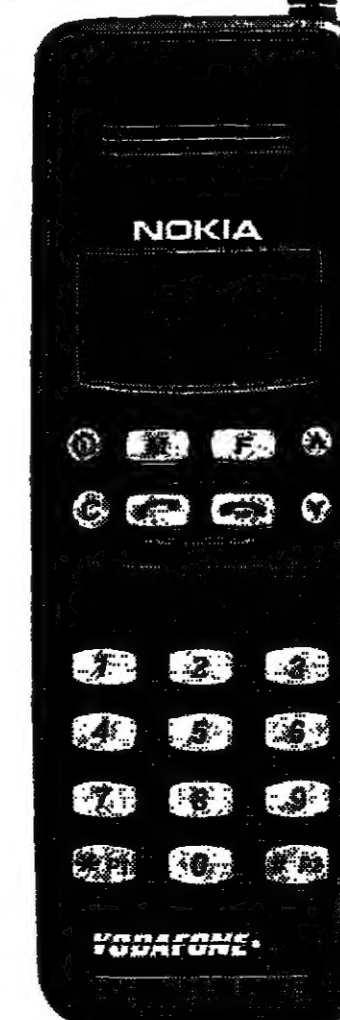
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Paxman to nurture first fruit of BBC's strategy for every viewer



Paxman: no politics and no politicians

By ALEXANDRA FREAN
MEDIA CORRESPONDENT

JEREMY PAXMAN is to host a new BBC current affairs discussion programme that will replace *Question Time* during Parliament's summer recess.

Mr Paxman, a *Newsnight* presenter, said that the programme would not feature politicians. Unlike many discussion programmes, guests would not be allowed to "drone on with their opinions". The *People's Debate* would talk about issues that affect people's everyday lives, such as animal rights, juvenile crime and NHS spending. Announcing details of the show yesterday, Alan Yentob, controller of BBC1, said that it had

been developed as a direct result of the BBC's recently published £2 million strategy review, which identified a need for more accessible programmes that related to people's everyday lives.

Mr Yentob denied that the programme had been offered to Mr Paxman, who is widely thought to have been the target of an attack on "overbearing and sneering" interviewers launched by John Birt, the BBC Director-General, as a consolation prize for failing to win the job as chairman of *Question Time* last year. The *People's Debate* will be part of the BBC's £243 million spring and summer schedules, which contain fewer repeats than before. Mr Yentob said 67 hours of new programming had been added to the

summer schedules at a cost of £23 million.

BBC2 is to screen a drama based on the Scott inquiry into the arms-to-Iraq affair during the week that his findings are published in June. The piece is based on a play by the journalist Richard Norton-Taylor.

In an anniversary tribute, BBC1 will screen all the episodes of *Fawlty Towers*, made 20 years ago. Only 12 episodes about the antics of the Torquay hotelier Basil Fawlty, played by John Cleese, were made. They also starred Andrew Sachs as Manuel the Spanish waiter and Prunella Scales as Basil's wife Sybil. Drama on BBC1 this summer includes *Hamish Macbeth*, a comedy about a policeman in a Highland village, and *Castles*, a 13-part

family saga produced in association with Granada Television.

Factual programmes include *Bernardo's Children*, which tells the stories of some of the 350,000 people who were brought up in the children's home founded by Dr Thomas Barnardo in 1867. In *Island Race*, the former Beirut hostage John McCarthy and the comedian Sandi Toksvig sail around the coast of Britain on "a voyage of personal discovery". The journalist William Shawcross will present a three-part documentary on the Royal Family.

BBC2 will mark the centenary of the trial of Oscar Wilde on April 3 with an evening of programmes that will include a *Timewatch* documentary narrated by Wilde's grandson, Merfin Holland, in which he search-

es for the dramatist's true story.

The fiftieth anniversary of VE-Day and VJ-Day will be celebrated by a documentary on the corporation's own participation in the war. *What Did You Do In The War, Auntie?* In *News 45* Sue Lawley will present a season of contemporary reporting of the end of the war.

The BBC's lavish costume dramas *Middlemarch* and *Martin Chuzzlewit* have been nominated for 14 awards at the British Academy of Film and Television Arts next month.

The playwright Dennis Potter's last interview with his friend Melvyn Bragg, in which he disclosed that he was dying of cancer and spoke of his life's work, has been nominated for an arts programme award.



Cleese: anniversary outing for Fawlty

Dentists withdraw NHS care from 800,000 patients

By JEREMY LAURANCE, HEALTH SERVICES CORRESPONDENT

DENTISTS have dropped more than 800,000 patients from their NHS lists in two years because they are too expensive to treat, according to official figures.

The Liberal Democrats, who obtained the figures in answer to a parliamentary question, said it was impossible to get NHS dental treatment in some areas as increasing numbers of dentists were going private. The figures show that 829,000 patients have been deregistered by dentists since 1992 "because of their dissatisfaction with the remuneration system". In that year, the Government cut dentists' fees by 7 per cent after they treated more patients than expected.

Alex Carlile, the party's health spokesman, said there was a north-south divide, with dentists in the South of the country ditching their patients three times as fast as in the North.

The South is where dentists' overheads are highest and where they think they can survive easiest by private income. Dentists are telling their patients to go private or go elsewhere. If people cannot afford private treatment they are most likely not being treated at all.

The disclosure brought an instant response from Gerald Malone, the Health Minister, who said the Government would shortly unveil a shake-up in the way dentists were

paid. He said: "I totally reject Alex Carlile's suggestion that NHS dentistry is under threat. The Government has a clear commitment to support it and we will shortly be bringing forward a framework of proposals for reform of the way dentists are paid. Mr Carlile is looking for a crisis that does not exist."

Alex Carlile claims that one patient is deregistered every two minutes, but overlooks the fact that 45 patients join a dental list in the same two minutes. Dental lists are constantly changing when, for example, people move or dentists retire. Nearly 21 million adults and over six million children are registered with an NHS dentist and there are over 15,800 dentists practising in the NHS — 500 more than two years ago.

NHS dental patients pay 80 per cent of the cost of treatment up to a maximum of £250. Children and those on benefits are treated free. Many NHS dentists have deregistered adult paying patients while continuing to treat children and the poor, who are exempt from payment.

The worst-hit areas are Kent and Gloucestershire, with 58,000 patients dropped in each county since 1992. More than 30,000 patients have been ditched in a further eight counties, all in the South except Lancashire. Seven areas — Barnsley, Bradford, Hillingdon, Oldham,

Sandwell, Sunderland and Walsall — have not deregistered any patients. John Hunt, chief executive of the British Dental Association, said: "A lot of dentists find it difficult to provide a high-quality service under the existing fee structure." He said 800,000 patients was only 15 per cent of the population. "Many of those will have discussed the matter with their dentist and agreed to go private. As they are already paying 80 per cent of the cost of their treatment it won't make a lot of difference."

He said dentists were "desperately waiting" for the Government's response to the Bloomfield report on the dentists' payment system. The report, by Sir Kenneth Bloomfield, was followed by a Green Paper last July that proposed helping those who could not afford to pay. "The Government invests £900 million in the dental service with a further £500 million coming from patient charges but it is not enough to run a comprehensive service," Mr Hunt said.

Joe Eisenberg, who runs a dental practice in Blackheath, southeast London, said: "I have to make £600 a day before I can eat. I nearly went bankrupt a few years ago because of the current system." He said he used to run a practice treating NHS patients, "but in the end was £50,000 overdrawn so something had to be done".



Lady Salisbury inspects the tapestry *Winter*, woven in 1611, which went on show yesterday at Hatfield House, Hertfordshire. The tapestry is one of four from the Sheldon School that are said to be the finest English tapestries of their period

JPs throw doubt on Howard's sentence reforms

By RICHARD FORD, HOME CORRESPONDENT

PROPOSALS by Michael Howard to give courts the power to determine details of a community sentence ran into immediate difficulty yesterday when magistrates' leaders expressed doubts about the scheme.

The Home Secretary plans to abolish non-custodial penalties and to create a single community sentence as part of a drive to reassure the public. A Green Paper, entitled *Strengthening Punishment in the Community*, published yesterday, says: "Probation supervision is still widely regarded as a soft option. Although in many cases this perception may be misconceived, it must be addressed."

Magistrates would decide the type of community punishment and impose extra conditions such as hard physical work or attendance on a drug treatment course. Probation officers would be stripped of much of their discretion in setting punishments and magistrates would be expected to have more involvement in the way community sentences were supervised by the probation and social service departments.

Magistrates could specify a mix of penalties and conditions designed to match the crime and an offender's behavioural problems. They would specify the type of punishment an offender must face and impose conditions such as attendance at a day centre and treatment for alcohol or drug abuse.

Mr Howard said that under his proposals a person convicted

of criminal damage to a shop could face hard manual work and be banned from going near the shop. He also intended to end the need for an offender to consent to a non-custodial punishment.

But Rosemary Thomson, chairman of the 28,000-strong Magistrates' Association, questioned the practicality of her members setting the conditions of community service. She said: "We would have input in the day-to-day detail. That won't be easy in practice."

Mrs Thomson said she was "agnostic" about the logistics of the proposals and added: "What I would say to the Home Secretary is that if after we have it given it our very best shot we don't see how it will work and we can't make it work, will he please not legislate?"

There had been six criminal justice Acts between 1925 and 1985 but since then there had been six more. "We now risk the public not understanding what the courts are doing and if there is too much legislation which is not absolutely necessary, that will undermine public confidence."

Harry Fletcher, assistant general secretary of the National Association of Probation Officers, condemned the proposals as a further assault on the probation service. "The Home Secretary is preoccupied with presentation, his own image, punishment and retribution."

Strengthening Punishment in the Community (Stationery Office: 59)

Policeman's son jailed over guns

A POLICEMAN'S son was jailed for nine years by the Old Bailey yesterday for firearms offences. Donville Gibson, 22, was arrested after three men fired a pistol and shot him at two married policemen in Highbury, north London.

Gibson, whose father is a corporal in the Jamaican police force, was acquitted at the Old Bailey in August of soliciting to murder a police officer and attempting to murder another. He was arrested in a nearby garden, where police found guns and ammunition, but said he was not involved in the shootings.

Yesterday Gibson, of Finsbury Park, north London, was found guilty of possessing and using a firearm with intent to endanger life and having a firearm and ammunition in a public place.

The shootings happened after a constable and a detective tried to question a man urinating in the street. No body was hurt.

Astronomers paint chilly picture of life on Titan

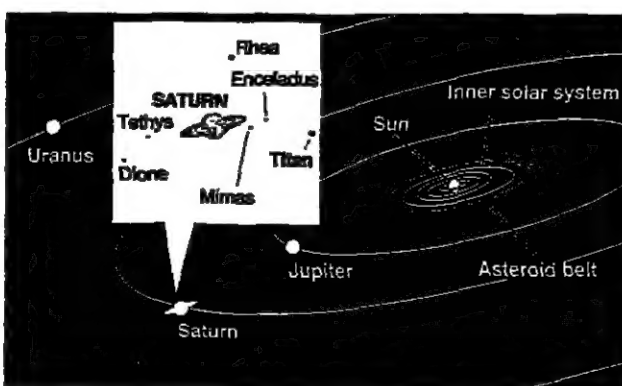
By NIGEL HAWKES
SCIENCE EDITOR

TITAN, the largest moon of Saturn, is a world of landlocked oceans full of liquid natural gas, the latest theory suggests.

Observations by the Hubble space telescope have shown that Titan has land and sea but that its atmosphere is so rich in methane and its temperature so low that the seas are thought to consist of liquefied hydrocarbons.

The theory has one snag, according to a report in *Nature* by Stanley Dermott of Florida University and Carl Sagan of Cornell. The orbit followed by the huge planet around Saturn is highly elliptical, which does not fit easily with the idea that it has continents and oceans, the astronomers say.

The reason is that the gravitational pull of Saturn would produce large tides in the oceans and the friction generated by these tides would over



the billions of years since the birth of the solar system have tended to make the orbit more circular.

Dr Dermott and Dr Sagan argue that Titan cannot therefore have a global oceanic system, linked together like the Earth's. It could, however, have a series of disconnected seas and crater lakes full of hydrocarbons, they say.

The theory could be tested by further observations, either from Hubble or a proposed

mission to Saturn and Titan early next century, which would measure the reflection from Titan's surface of radar and infrared signals which can penetrate its thick clouds. The difference in reflection from different areas would show how much was sea and how much land.

An alternative explanation does exist — that the highly elliptical orbit of Titan is due to a fairly recent impact with a big object from outer space.

Bats denied prey by new street lights

By OUR SCIENCE
EDITOR

THE replacement of old street lights could be bad news for bats. Two studies have shown that bats prefer to hunt around mercury-vapour lamps, which emit light that attracts moths and other insects. The newer sodium lamps do not act as lures for insects.

Working in the Dee valley in Scotland, Jens Rydell, a Swedish scientist from Lund University, has shown that pipistrelle bats cluster on roads with mercury-vapour lamps at a density of 3.1 per kilometre, ten times greater than along unit roads or roads with sodium lamps.

He found similar results in southern Sweden. Dr Rydell's technique, reported in *New Scientist*, is to drive along roads with an ultrasonic detector tuned to the frequencies that bats use to locate their prey, counting the number he passes.

Scientific brainwave quells pain of noisy neighbours

By NICK NUTTALL, TECHNOLOGY CORRESPONDENT

TECHNOLOGY is at hand to put an end to the scourge of noisy neighbours. British researchers are developing a system that will neutralise the low, pounding vibrations of beat music pumping out of next door's hi-fi late at night.

Over the past four years, 17 people have been murdered or have committed suicide because of noise pollution. According to studies by environmental health officers, millions more are blighted by noise and many councils do not have the resources to bring prosecutions.

The new development could make beat music as inoffensive as the distant rumble of a train. The scientists, who have been given more than £100,000 in funding from the Government's Engineering and Physical Science Research Council, are adapting sound suppressant technology used in planes and sports cars.

Modern propeller aircraft, such as the Saab 2000, are now fitted with active sound systems based on developments at Southampton University. About 36 hidden microphones, which sense the plane's engine noise, are linked to a computer programmed with the acoustics of the passenger cabin. The computer controls 18 hidden speakers that emit sounds designed to cancel the powerful hums that would make a flight intolerable.

Lotus Engineering, in co-operation with the Southampton team, has developed a similar system for sports cars. Because sound comes in waves, a mirror image of the wave noise — an antiphase signal — cancels out both.

Frank Fahy, Professor of Engineering Acoustics at the university's Institute of Sound and Vibration, said yesterday: "Inconsiderate neighbours playing their audios at a high level is becoming an increas-

ing problem. A very substantial proportion of this is caused by beat music."

"We have been successful using active control with aeroplanes and cars so trying to tackle noisy neighbours seemed a natural extension."

The team is studying the acoustics of the average flat and semi-detached house, and will site microphones and speakers in test rooms. For the anti-noise system to work, neutralising sounds need to be fed into all parts of the room and matched precisely with the output of the hi-fi.

Professor Fahy said beat music lent itself to neutralising noise technology. Like aircraft or engine noise, the offending bass notes are low-frequency sounds. The music is also repetitive and predictable, unlike classical music.

"If your noisy neighbour is into classical music like Rachmaninov, this won't work. It is too random."

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Tory chairman's allegation sets tone for a bruising election campaign

Hanley claims Labour local authorities 'tend to be corrupt'

By Jill Sherman, Political Correspondent

JEREMY HANLEY, the Tory party chairman, was at the centre of another political dispute yesterday after claiming that Labour councils were generally corrupt.

Launching the party's local election campaign, Mr Hanley set the tone for what looks likely to be one of the dirtiest battles for some years. He announced that the Tories would expose Labour's "rotten boroughs" during the run-up to the elections on May 4, and declared: "Labour local government tends to be corrupt."

The comment sparked a furious response from Labour while John Gummer, the Environment Secretary, appeared to distance himself from it. Mr Hanley refused to retract the words when challenged later, merely adding: "There is a lot of corruption among Labour councils and even the Labour Party admits it."

Last December Rod Richards, a junior Welsh minister, was forced to apologise after suggesting that Welsh Labour councils were "fundamentally corrupt". Frank Dobson, the Shadow Environment Secretary, called for a similar retraction from Mr Hanley.

However, a senior Tory party spokesman insisted that there would be "no retreat and no retraction". A press notice released yesterday afternoon said that the forthcoming campaign would demonstrate the truth of Mr Hanley's words.

The release identifies six councils where it is claimed that "illegal anti-competitive practices and fraud" have taken place: Lambeth, Harrogate, Derbyshire, Monksland, Birmingham and Tameside. "We are extremely happy to have a row over the issue," the

spokesman said. "All the evidence shows that the party of sleaze in local government is the Labour Party."

Mr Hanley's remarks flew in the face of advice from Mr Gummer, who had earlier criticised Labour for seizing upon allegations against Westminster council, where the Tories are being investigated over allegations of selling homes for votes.

"I believe people are innocent until proven guilty," Mr Gummer said. In television interviews later he pointedly refused to endorse Mr Hanley's remarks but instead focused on Birmingham, the centre of recent "grants for votes" allegations and which was the subject of a Commons debate yesterday.

Mr Dobson demanded that Mr Hanley withdraw "his disgraceful slur" immediately and pointed to the Tories' own local government record. "What he says comes ill from the chairman of the Tory party when they have consistently washed their hands of taking any action over the disgraceful behaviour of Tory-controlled Westminster."

If Mr Hanley had evidence to support his allegations he should take it to the police, he said. "To withhold such evidence is indefensible. But if, as I suspect, he has no evidence of corruption and is merely indulging in smears and innuendo, the chairman of the Tory party should be ashamed of himself."

Mr Hanley has been involved in a series of gaffes since he took over as party chairman last summer. Soon after his appointment he preempted the Prime Minister by saying he would stay in his post until the next election. Later he described a riot at a

boxing match as "exuberance". He caused further embarrassment on a day when Kenneth Clarke announced a rise in interest rates by saying that he did not want to see any further increase.

A Labour spokesman said: "This is another nail in Mr Hanley's coffin. On the opening day of the campaign Cabinet ministers are distancing themselves from his latest gaffe at every opportunity."

Mr Hanley refused to make any predictions over the outcome of the council elections, refusing even to rule out the possibility that the Tories would come third, behind the Liberal Democrats. "I am not in any way forecasting the result. I regard that as sterile."

A recent survey for BBC's *On The Record* showed the Tories losing 1,350 seats and being pushed into third place. They now hold about 7,000 seats in England and Wales, compared with Labour's 9,200.



Heath urges end to question time shouting match

By James Landale, Political Reporter

PRIME MINISTER'S question time has descended into a "hideous shouting match" in the eyes of the public and should be reformed, Sir Edward Heath said yesterday.

Sir Edward, who is Father of the House of Commons, told the Commons Procedure Committee that Prime Minister's Questions (PMQs) had changed enormously during his 45 years in Parliament and had become so controversial that every day had become election day. "The whole level of the proceedings has lowered and I have absolutely no doubt that has been true in the public mind too," he told the committee, which is examining possible changes to PMQs.

"I don't think the public regard it any longer as a revelation on television of the proper purposes of Government. They do regard it as a hideous shouting match in which each side is trying to abuse the other."

The first question, which usually asks the Prime Minister about his official engagements that day, should be scrapped, Sir Edward said, and a substantial question put in its place. The Prime Minister

and his office should have at least 72 hours to prepare an answer so that a proper and serious response could be given.

Sir Edward, who was Prime Minister between 1970 and 1974, said: "PMQs should be a serious examination of the major problems of the day on which the Prime Minister should be concerned, and it's nothing like that today... I don't think that members are asking for information or seeking it. What they are trying to do is strike a point for their own side."

He said that, while he supported the televising of Parliament, it had made PMQs too theatrical and that was "thoroughly bad". It had made PMQs less respected across the world.

However, he doubted whether the system would be changed. "All you have to do is get the House of Commons to accept it and obviously that won't happen."

He also attacked the number of questions planned by Government whips who told backbench MPs to raise specific subjects. "We never had planted questions," he said.

Council accused of buying votes with public funds

By James Landale

A SENIOR Tory MP accused the Labour-controlled Birmingham City Council yesterday of using public money for political ends. Dame Jill Knight, MP for Edgbaston, told the Commons that the money was being used in "a blatant attempt to buy votes".

The charge followed recent allegations that party members had been allowed to jump queues for housing redevelopment grants in return for promising support for a candidate to replace Roy Hattersley, the MP for Sparkbrook, who is standing down at the next election. Labour has suspended four local parties in Birmingham and launched an internal investigation. Dame Jill, opening a short back-



Dame Jill: charges of sleaze in Birmingham

bench debate on local government in Birmingham, urged the Nolan committee investigating standards in public life to look into the allegations.

"There is no doubt that substantial amounts have been chiselled from [the council's] budget and misused," she said. "Other amounts have disappeared without trace. Furthermore, it now seems that large sums have been misappropriated to gain political advantage for the Labour Party in Birmingham."

She said that the lion's share of more than 800 grants had gone to areas that elected Labour councillors and MPs, including a grant worth £52,000 for a Labour council-

lor to repair his home. This, she said, "certainly appears to be a blatant attempt to buy votes". She added: "It's pretty sleazy to buy votes with your own money. It's very sleazy indeed to buy them with public money."

Roger Goddard, Labour MP for Birmingham Small Heath whose seat disappears at the next election, said that the allegations in *The Observer* linking him to the distribution of grants, each worth up to £20,000, were not true.

The article suggested that Labour supporters had been given advice on how to fill out a form enabling them to jump the queue for housing grants. Mr Goddard said he would make no apology for helping any constituents to receive their legal entitlements to housing grants. "It is their right, and if in doing so I offend some people on the city council because it causes problems with their system, then I'm sorry."

Frank Dobson, the Shadow Environment Secretary, said that Labour condemned wrongdoing wherever it occurred. "I don't know, and I think no one in this House knows, whether there has been wrongdoing in Birmingham," he said. "If there has been, it will be rooted out."

He said that after the allegations Labour had made an immediate report to the district auditor and the police and begun an internal investigation. This contrasted with the failure of any Tory to utter "a single harsh word" against councils such as Wandsworth and Westminster, which had faced similar allegations.

Sir Norman Fowler, MP for Sutton Coldfield, said that Labour's inquiry proved that it believed there was a case to be answered. But the public would not be satisfied with an internal investigation. "They must be satisfied these charges will be thoroughly, independently and fearlessly investigated," he said. "There must be no cover-up and no smokescreen."

IN PARLIAMENT

YESTERDAY: The Commons sat from 10am. MPs debated the management of Scottish wildfow, local government in Birmingham, and mines, the proposed closure of Hayley Green Hospital, and the cases of Patrick Kinn, Sean Kelly and Michael Timmons in Northern Ireland.

After questions to environment ministers there were estimates debates on Trade and Industry Department support for the development of broadband communications and on administration relating to the Environment Department's

retail planning policy. In the Lords, the Sexual Offences (Amendment) Bill had its second reading.

TODAY: In the Commons, Questions will be put to Northern Ireland ministers, followed by Questions to the Prime Minister. MPs will then debate all stages of the Commonwealth Development Corporation Bill. In the Lords, debates will be held on the Mental Health Patients in the Community Bill and the Prevention of Terrorism (Temporary Provisions) Act (Continuance) Order.

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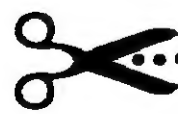
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Enrique Davila Gomez, the Spanish skipper, right, consults his lawyer during a court appearance in Newfoundland. He has been released on bail

EU claims victory over Canada in halibut war

FROM WOLFGANG MÜNCHAU IN STRASBOURG, AND MICHAEL BINYON, DIPLOMATIC EDITOR

THE European Union last night declared victory in the fishing war with Canada, after the Canadian authorities unconditionally released the Spanish trawler, captured last week by Canadian gunboats in international waters.

Canada's gesture in the conflict over the Greenland halibut has opened the door for a round of multilateral negotiations, due to take place in Brussels next week, about fishing rights and the share-out of fishing quotas in the northwestern Atlantic.

The announcement was made last night by Emma Bonino, the European Fisheries Commissioner, who called the release of the *Estai* "a vindication of the stance taken by the European Commission and the Council of Ministers". In a statement unlikely to be appreciated in Ottawa, she said that "the Canadians are trying to be reasonable again".

The release of the *Estai* was the key condition, imposed by the EU, for the resumption of political dialogue with Canada. The Canadians had fulfilled the other condition, the release on bail of the *Estai*'s captain and crew. Signora Bonino said: "I can confirm we will begin the multilateral discussions, and I hope it will be a first step to solve the tensions." She insisted this did

not mean that the EU recognised the legitimacy of the Canadian law, under which its authorities seized the *Estai* in international waters, 245 nautical miles off the coast of Newfoundland.

Signora Bonino said that the EU did not offer any concessions in return for the release of the *Estai*. She said that no undertaking had been given that Spanish boats would stop fishing for Greenland halibut in the area.

Britain hinted yesterday that the compromise had been helped by the active intervention of Douglas Hurd, the Foreign Secretary, who announced that he had tele-

phoned his Canadian and Spanish counterparts, André Ouellet and Javier Solana, to urge them both to proceed through negotiations.

The dispute had put Britain in a difficult position as public opinion favoured the Canadians, but the Government felt obliged to support an EU partner. Officials were wary of suggesting that Mr Hurd had played a role as mediator, but it was clear that he had pressed hard for compromises in Madrid and Ottawa.

Mr Hurd said in a statement in London that the goal must be to conserve fish stocks effectively to allow fishermen from the EU and Canada a

viable future. "Both sides should avoid action which makes a solution more difficult... We will continue as a member of the Commonwealth and the EU to urge forward solutions to the immediate difficulties and to work towards an outcome acceptable to all."

In a speech earlier to the European Parliament, Signora Bonino responded to Canadian claims that the *Estai*'s catch was mainly made up of small fish by saying that the Canadians "ignored that there is no Nafo [Northwest Atlantic Fisheries Organisation] limit on the size of the fish... It is unacceptable that the Union is turned into a scapegoat because the Canadians have failed to manage their own resources effectively."

She added that Canada acted out of pure economic self-interest, and that the issue of conservation was being used as a mere smokescreen.

The Commission received wholehearted support from the main sections in the European Parliament. The European People's Party, which also includes a tiny group of Tory MEPs, said the issue was "to what extent one can violate international law with impunity. Canada's action imperils the interests of all the countries of the union."

Trawlers plunder seas

By NICK NUTTALL, ENVIRONMENT CORRESPONDENT

THE world's fishing fleets are causing far more damage to fish stocks and the wildlife that depend on them than had previously been supposed, research shows.

Scientists have calculated that a third of the primary productivity of the earth's key fisheries is being creamed off by trawlers and factory fishing ships. Primary production is a measure of the oceans' ability to turn sunlight into food.

The intensity of the fishing, estimated at 120 million tonnes a year, is leaving too few fish behind to breed or to feed marine animals, including whales and birds.

Professor John Beddington, of Imperial College London's Centre for Environmental Technology, said yesterday that there was no hard and fast rule about a sustainable harvest, "but it seems to me fairly unlikely that the estimates being reported in this research can be sustained".

Republicans bring in plan to cut taxes

FROM IAN BRODIE IN WASHINGTON

REPUBLICANS yesterday moved forward with legislation to bring about America's biggest tax cuts in nearly 15 years. But formidable obstacles are ahead, including how to finance them — the Democrats claim the proposals will enrich the wealthy at the expense of the poor.

The Republican plan would cut taxes by \$189 billion (£120 billion) over five years, with a middle-class reduction in tax liability of \$500 for each child under 18 and other benefits. Newt Gingrich, the House Speaker, said the intention was to help families and boost economic growth. He insisted that the cuts could be paid for

by spending reductions and without adding to the budget deficit. How is not clear, but severe pruning is proposed for social programmes for the poor.

In addition to congressional Democrats' objections, the Bill sent to the House by its Ways and Means Committee yesterday faces opposition from Republicans in the Senate, who are not convinced that the budget can be balanced if there are tax cuts, and from President Clinton, who would exercise his veto.

Mr Gingrich conceded the difficulties yesterday when he said: "This is going to be a very demanding Bill."



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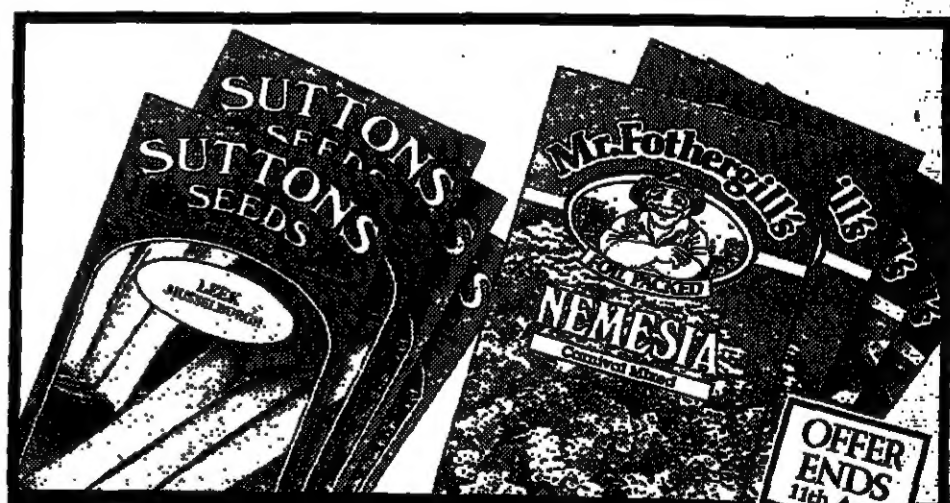
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Iran trade curbs urged in fight to end Rushdie fatwa

BY MICHAEL BINYON, DIPLOMATIC EDITOR

THE 34-nation Council of Europe yesterday voted unanimously to reject that European governments resist any closer trade or political relations with Iran until Tehran lifts the fatwa against Salman Rushdie.

The writer, who emerged from hiding to address the Parliamentary Assembly in London, was told by Miguel Martinez, the president of the assembly: "You represent the values that the Council of Europe stands for."

Fellow parliamentarians said the Rushdie case was about more than just one individual: it was a human rights issue that affected all governments, especially members of the Council.

Mr Rushdie said he did not need the sympathy of the assembly; he needed its solidarity. He was caught in a battle between freedom of speech and terrorist fanaticism, and saw himself less as a victim than as a combatant.

Sharply denouncing Britain for what he saw as government passivity in failing to put more pressure on Iran, Mr Rushdie told the assembly it

was "incomprehensible" that his case had gone on so long. He said it was six years since Iran had attempted an act of state terrorism.

There was ample evidence of Tehran's involvement in political assassination. Yet apart from declarations of support for him, nothing had been done. Business was proceeding as usual.

"If we do not care, I wish we would just say so. Let's not pretend that our values are different. If we do think that this is a fundamental challenge to our values, let's do something about it. Now we have the worst of both worlds."

Mr Rushdie said Iran's government was weak, unpopular at home and beset by economic difficulties. It was not impervious to pressure. Yet the West had not put pressure on it. He said Britain's attitude appeared to be that nothing could be done until the regime changed.

Mr Rushdie several times thanked the Government and police for protecting him. But he said it had no idea how to end the situation. By contrast,

he singled out Norway as a country which had taken a tough line, refusing to send an ambassador back to Tehran until the fatwa was lifted.

Mr Rushdie said his survival for six years since Ayatollah Khomeini's incitement to his murder had led people to think the fatwa was not real, or was losing its force.

However, he said, it was real, not a theoretical threat. His Japanese, Italian and Turkish translators and publishers of *The Satanic Verses* had been killed or wounded. They, and the booksellers who still stocked the books, were the real victims and real heroes in the confrontation with terrorism.

The motion of support for Mr Rushdie comes in the wake of growing concern in the Council of Europe over Muslim fundamentalism and the increase in threats to writers, intellectuals, and those with links to the West. A report on his case, debated yesterday, said his was not an isolated one.

In countries where Muslim fundamentalists hold sway, hundreds of people are perse-



Salman Rushdie: attacked the Government for failing to put pressure on Tehran

cuted in similar ways for their views," it said. "The Assembly condemns such acts as constituting grave violations of the right to freedom of thought and expression guaranteed by Articles 9 and 10 of the European Convention on Human Rights."

Speakers yesterday told of

the growing threat to human rights in Algeria, and cited the case of Taslima Nasreen as evidence that fundamentalist terrorism was active elsewhere. They insisted that the Council had no quarrel with Islam, or that there was anything inherently intolerant in that religion. But they said

that no one should ignore the fact that it was in fundamentalist Islam that the greatest threat now lay. The two-day Parliamentary Assembly also condemned the sacking of Sergei Kovalyov as the Russian Human Rights Commissioner, and voted to send observers to Chechnia.

German strategist joins battle for Chancellor

FROM ROGER BOYES IN BONN

THE first shot in the battle to succeed Helmut Kohl as the German Chancellor was fired yesterday by Wolfgang Schäuble, his right-hand man and an influential conservative strategist.

Herr Schäuble, 53, is the parliamentary floor leader of the ruling Christian Democrats and regularly launches initiatives on both domestic and European policy in an attempt to lift the Bonn Government out of its daily grind. Under normal circumstances the Swabian would be regarded as the natural successor to the Chancellor, who has promised that he will not stand for re-election in 1998. But Herr Schäuble has been paralysed from the waist and confined to a wheelchair since he was attacked by a mentally disturbed man in 1990. That has tended to discount Herr Schäuble from the leadership stakes.

In *Stern* magazine yesterday Herr Schäuble, who is the champion of a "hard core" federal Europe, emphasised that his physical handicap would not restrict his political effectiveness at the top. Any doubt that this was Herr Schäuble's way of throwing his hat in the ring was dispelled when the Christian Democrat press office took the unusual step of printing and distributing the interview in full two days before publication. "My body has adapted



Schäuble: handicap no bar to leadership

over the years to the injuries. I move more in the fresh air, I use a lot. And I came through the election year [1994] in much better form than expected." He emphasised that he was in no hurry to replace the German leader. "On the other hand if I weren't able to cope with political leadership then I wouldn't be fulfilling my present job as chairman of the parliamentary party."

If Herr Kohl keeps his promise to step down before the next parliamentary elections in 1998, he would have to hand over the baton at least a year earlier. After 16 years of Helmut Kohl, the party will need time to build up a credible successor. The chancellor has subtly altered course in anticipation of a handover.

It is focusing on two areas: building up an election machine that can be taken over by

another driver; and on making a success (as defined by Bonn) of the *Inter-Governmental Conference* in 1996. The election calculations may seem premature but some changes demanded by the German leader — reforming, for example, the public television network that has often been critical of the Chancellor — need time.

The Maastricht follow-up Conference meanwhile has been declared a top priority. "It will be the Chancellor's great diplomatic swansong, and one of his prime claims to a role in history," said a diplomat who has been analysing the shifting agenda of the chancellor.

Herr Schäuble may be the first in the field — and even the Chancellor's favourite — but other candidates are starting to jostle for position at the starting blocks. Kurt Biedenkopf, the Saxony Prime Minister who is a Christian Democrat economics professor with a lively mind, has set up a commission with the Bavarian Prime Minister, Edmund Stoiber, to analyse the future of Germany.

Another contender is Volker Rühe, the Defence Minister, who has understood that the Chancellor's departure from the stage will leave a huge foreign policy vacuum. He has been using his ministerial post to take on the mantle of key foreign policy strategist, much to the irritation of the real Foreign Minister, Klaus Kinkel.

Toll in Turkish clashes climbs

Istanbul Police clashed with Alawite demonstrators for a fourth day yesterday, leaving four people dead and 20 injured in the latest violence stemming from an attack on the moderate Muslim community.

The clashes, which began on Sunday on the European side of the Bosphorus and have left more than 20 dead, spread yesterday to Ümraniye, a district on the other side of the straits, which has pockets of Alawite residents. Authorities imposed a curfew on three streets in the area and one street in an adjacent neighbourhood.

The trouble started when police intervened to stop demonstrators from marching on a cultural centre, the semi-official Anatolian news agency said.

The four days of violence stems from an attack last Sunday in which gunmen, believed to be fundamentalist Sunni Muslims, shot dead three people in attacks at four cafés in Gazl, an Alawite district of Istanbul. Demonstrations began almost immediately, leaving more than 20 dead in clashes with police. The violence has spread to other cities, including Ankara, the capital. Private television channels have shown footage of policemen firing into a crowd of demonstrators. (AFP)

Dini faces close vote over budget

FROM JOHN PHILLIPS IN ROME

A KNIFE-EDGE vote in Italy's Chamber of Deputies today will decide the future of the Government of Lamberto Dini, the Prime Minister, in the face of opposition from Silvio Berlusconi, his predecessor.

Signor Dini called the vote yesterday on his mini-budget designed to cut government spending, presenting Signor Berlusconi's Forza Italia party and his ally, Gianfranco Fini, the "post-Fascist" National Alliance leader, with a stark choice between allowing the measures to pass without amendment or forcing the Government to resign, which

would throw Italy into a financial crisis.

Signor Berlusconi's Freedom Alliance has been sniping at Signor Dini for weeks in a bid to precipitate a snap general election. The Right's leaders believe it can win.

A handful of votes will decide the fate of the Government, which does not have a stable majority in the lower house.

Even if Signor Dini wins the vote his Government is unlikely to last beyond the autumn. Signor Berlusconi wants Signor Dini to introduce key pension reforms by decree with immediate effect and then resign so that President Scalfaro can call a general election for June.

World Court to pick first woman judge

FROM JAMES BONE IN NEW YORK



Rosalyn Higgins has experience of international law both as an academic and an advocate

A LAW professor at the London School of Economics, who represented Britain against Libya in a case stemming from the Lockerbie bombing, is destined to become the first woman to be elected as a judge of the World Court.

Diplomats say Rosalyn Higgins, 57, will be nominated to fill the traditional British seat on the 15-member bench when Sir Robert Jennings retires at the age of 81 on July 10. The United Nations Security Council is expected to hold a by-election for the post in the summer.

The result is considered a foregone conclusion because of the custom that the five permanent members of the Security Council, Britain, France, China, Russia and America, always have one judge each.

Mrs Higgins, the wife of the Conservative MP Terence

Higgins, is regarded as superbly qualified for the post, having had experience of international law both as an academic and an advocate. Diplomats emphasised that Mrs Higgins would be elected on her merits and not because of any "affirmative action" to put a woman on the bench.

As well as serving as professor of international law at LSE, she has argued several important cases before the court, which sits in The Hague. Her most celebrated appearance came in the Lockerbie case, when, as Britain's counsel, she won a court decision refusing Libya relief from UN sanctions aimed at securing the surrender of two Libyans wanted for the bombing attack on PanAm 103 in 1988.

Mrs Higgins was educated at Burlington Grammar School in London and Girton College, Cambridge.

Oslo to cull seal pups

BY NICK NUTTALL

NORWAY'S six-year ban on seal hunting came to an end yesterday with the Government announcing plans to cull up to 2,600 seal pups this year.

The decision, which is expected to trigger fierce condemnation from animal welfare groups, comes weeks after the Canadian authorities

announced a relaxation of the rules on seal hunting. The Canadians and Norwegians have been traditional seal hunters and claim that animals also eat dwindling fish stocks.

The Norwegian Ministry of Fisheries said that the seal pups would be taken for "scientific purposes". Oslo said commercial hunting was not being resumed.

Alliance studies Bosnia pull-out

BY MICHAEL EVANS DEFENCE CORRESPONDENT

A NATO plan to send up to 40,000 troops to evacuate United Nations peacekeeping forces from Bosnia-Herzegovina was being studied by alliance ambassadors yesterday.

The withdrawal contingency plan, codenamed Operation Determined Effort, which would involve German combat troops in an out-of-area mission for the first time, was prepared because of growing fears that fighting in Bosnia could escalate once the ceasefire ends in about six weeks.

Under the plan, the Nato troops would come under the overall command of Admiral Leighton Smith, Commander-in-Chief of Allied Forces Southern Command, based in Naples. Lieutenant-General Bertrand Janvier, the French commander of all UN troops in the former Yugoslavia, would be his deputy.

The key Nato force, envisaged for a withdrawal of the 24,000 UN troops in Bosnia, would be the alliance's rapid reaction corps, commanded by Britain's Lieutenant-General Mike Walker.

Admiral Leighton-Smith said last week that an initial force would go into Bosnia to begin the withdrawal. A larger standby force would be on hand to move in at a moment's notice in the event of trouble.

The United States is expected to commit logistics capabilities and specialists for the operation. France would field about 9,000 men, half of whom would be members of UN units who would rid themselves of their blue berets to come under Nato command. Britain is expected to commit an even larger contingent. Fighter-bomber cover over Bosnia would include German Tornado aircraft. Nato sources said. Some 2,000 German combat troops would be sent to neighbouring Croatia. UN troops would leave through Croatian ports and airports.

It is not yet clear whether all the countries which have contributed to the UN force, including Russia and Ukraine, will agree to their soldiers withdrawing under Nato command.

Export of landmines is curbed

London: New curbs on the export of landmines, intended to reduce an estimated worldwide death toll of 800 a month, were announced by the Government yesterday (Nicholas Wood writes). David Davis, a Foreign Office Minister, told MPs that Britain has banned the export of "non-detectable" anti-personnel mines with immediate effect.

Baroness Chalker, the Overseas Development Minister, announced another £1 million for mine clearance in Cambodia, bringing Britain's total contribution to £3 million.

Kazakh deputies on hunger strike

Moscow: Kazakh deputies, fighting the dissolution of their parliament at the weekend by President Nazarbayev, began a hunger strike yesterday and vowed to create an alternative assembly (Richard Beeston writes). The president dissolved parliament after a court ruled that last year's elections were illegal. He said he would rule by decree until new elections could be held. In Moscow the Duma passed a tough budget, clearing the way for economic reform.

Cyprus potato farmer starts fast

Nicosia: Charmbis Chimonas, a local farmer imprisoned by a British court in Cyprus for ignoring an order not to cultivate potatoes near a firing range is on hunger strike and may die, relatives say. But a British spokesman said that although the farmer had not eaten anything since his detention last week, he was taking liquids and regularly saw a doctor. (Reuters)

Pope to visit Polish cities

Rome: The Pope is to visit the Czech Republic and his native Poland in May, the Vatican said, another sign that his health is improving after surgery. The Pope, 74, will travel to Prague and Olomouc in the Czech Republic and the three small cities of Skoczow, Bielsko-Biala and Zyrardow in Poland. (Reuters)

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Settlers protest as Israel resumes talks with Syria

FROM CHRISTOPHER WALKER IN JERUSALEM AND ARTHUR LEATHLEY IN AMMAN

LEADERS of 13,000 Jews in 32 settlements on the occupied Golan Heights were planning a campaign of civil disobedience yesterday after the announcement from Damascus that Israel and Syria have agreed to resume the peace talks broken off in December.

The angry settlers, who claim that polls show majority support for their cause among Israeli Jews, fear that the Labour Government of Yitzhak Rabin is prepared to hand back the Golan Heights conquered in 1967 in exchange for a peace treaty before next year's general election. Senior diplomats said that neither Israel nor Syria had made any substantial compromises in their widely differing negotiating positions to facilitate the resumption of talks, a move seen as a diplomatic victory for Warren Christopher, the American Secretary of State, who left Syria yesterday. He said that his eleventh shuttle had "turned out to be one of the most satisfying trips I have made to the Middle East".

Israeli and Arab commentators were cynical that the resumption of talks in Washington, at only ambassadorial level, signalled any real breakthrough. The mass-circulation Tel Aviv daily *Yedioth Ahronot* concluded: "This was a big step for Christopher, who

could not return home empty-handed again, but a small step for the peace process."

Shimon Peres, the Israeli Foreign Minister, denied that his country had given away too much in agreeing to hold direct talks with Syria. "We haven't given in," he said in Bonn. "We are opening negotiations on the security chapter and, as is well known, this is not the only chapter."

Mr Christopher's progress highlighted the relative success of America and the relative failure of the European Union in helping to shape the Middle East peace process. The European troika of France, Germany and Spain — led by Alain Juppé, the French Foreign Minister — visited Damascus last month on the first step on a Middle Eastern peace mission but made little headway.

Although fresh attempts will be made to forge a specifically European policy towards the Middle East during the Spanish presidency of the EU, Europe's efforts are mostly confined to gesture and offerings of modest aid.

Another important visitor this week was John Major, the first British Prime Minister to make the trip to Israel for nine years. When he left he promised the Palestinians a further £7 million in aid and some of Britain's biggest companies

announced that they will set up technology parks in the Palestinian-controlled territories in the Gaza Strip and West Bank. The move was seen as an ambitious British contribution towards maintaining the fragile peace.

Businessmen from some of Britain's leading industrial, banking and retail companies returned yesterday from a four-day visit to Israel, the Gaza Strip and West Bank and Jordan, where Mr Major was leading a 27-strong trade delegation.

The technology park proposals will focus on setting up seven industrial complexes that will create employment opportunities for Palestinians, most of whom are now prevented from crossing into Israel. The scheme is aimed at prompting Israel to improve its infrastructure links with the Gaza area as well as giving Palestinians an easier trade route.

The Palestine Authority, which has control of the Gaza Strip, has complained that hundreds of lorries attempting to export fruit and flowers are left waiting at border crossing points until the produce is rotten.

Richard Needham, the Trade Minister, yesterday called on British business to set up closer links with the occupied territories and, during the Middle East visit, put pressure on Israeli ministers to allow easier transport of Palestinian produce from the territories.

Among the British companies outlining proposals for technology parks are the construction firms Bovis, John Laing and Mowlem. Other companies, including Marks and Spencer, will also be involved in drawing up proposals, aimed at setting up bottling and textile factories.

The businessmen who visited the Gaza Strip on Tuesday hope that the first park could be opened by summer 1996. They see Gaza as playing a pivotal role in ensuring that the peace agreement between the Palestinians and Israel can be continued and extended to Israel's Arab neighbours.



John Major at Hashimiyah Palace in Amman yesterday, where he donated equipment for a water project

Shin Bet's liberal head upsets Right

BY CHRISTOPHER WALKER

SHIN BET, Israel's equivalent of MI5, is in turmoil after last month's disputed appointment of a new director.

Israel Television reported in a rare item on the agency that six of the 12 departmental heads have resigned in protest at the appointment of the man who, because of censorship, may be referred to only as "K".

The initial of his first name, "K", is the initial of his first name. Many senior members of the organisation fear there will be a shift away from its traditional focus on Palestinians because the new director is an expert on right-wing Jewish groups and regarded as a liberal.

A security official confirmed five of the reported resignations and said they believed that "K", aged 44, and his deputy, "R", were not familiar enough with fighting terrorism in the occupied territories. Earlier, extreme right-wing

Jewish nationalists had tried unsuccessfully to thwart the appointment by spelling out his name and address in graffiti in central Jerusalem and in telephone calls to journalists.

The campaign was seen by some Israelis as an attempt by right-wing extremists to leave the way open for the formation of new underground groups ready to launch attacks on Palestinians.

Experts on the Shin Bet, which has recently been accused of brutal interrogation practices, said that "K" was chosen not so much for his prowess in tracking down Jewish fanatics as in the hope that he might neutralise Islamic suicide bombers.

The final decision to go ahead with the appointment, despite the opposition, was taken by Yitzhak Rabin, the Prime Minister.

Police seek to ban eulogy for killer

BY OUR MIDDLE EAST CORRESPONDENT

ISRAEL'S Labour Government was yesterday seeking urgent legal advice on banning a new 533-page book eulogising Baruch Goldstein, the New York-born Jewish settler who last year massacred 29 Palestinians praying in a Hebron mosque.

Former activists from the outlawed right-wing Jewish extremist group Kach claimed that the book, *Baruch, the Man*, had sold thousands of copies in the first 48 hours of publication.

The most contentious passage is a 26-page essay by Rabbi Ido Elia, from the settlement of Kiryat Arava where Goldstein lived, claiming that the biblical injunction "Thou shalt not kill", does not pertain to Jews who kill non-Jews who threaten them. "In war... it is a mitzvah (good deed) to kill every gentile from the nation that is

fighting the Jew, even women and children," the Rabbi wrote.

Michael Ben-Yair, the Attorney General, instructed police to investigate the book — its publisher is not named — to see if it violates the law. Eric Bar-Chen, a police spokesman, said: "The question is whether they are writing things that can be construed as against the law, as inciting illegal activity."

Publication of the book has angered Palestinian officials, at a time when the peace process is going through a difficult period. Calling on the Government to stop its circulation, Mutawakkil Taha, of the new Palestinian Information Ministry, said: "It is clear that it is urging Jews to massacre Arabs because when you praise killers, it means you are praising their deed."

Bonn to help pay for dams

Bonn: Germany is to help the European Union to finance the building of dams on the Jordan and Yarmuk rivers to ease the water shortage around Amman, the Jordanian capital (Roger Boyes writes). John Major has presented the Jordanian Government with British engineering equipment for testing underground water sources.

The move was announced during talks in Bonn yesterday between Manuel Marín, a European Commissioner, Shimon Peres, the Israeli Foreign Minister, and Crown Prince Hassan of Jordan.

Record number of reporters die

New York: A record number of reporters worldwide were killed or jailed for their work last year, including 19 slain in Algeria and 74 imprisoned by Turkey, a journalism group said yesterday.

The 72 reporters killed included 14 who died in war zones in Bosnia-Herzegovina, Somalia, Angola, Chechnya and Rwanda, the Committee to Protect Journalists said. Another 15 reporters were victims of ethnic massacres in Rwanda. (AP)

Shipyard denies Estonia blame

Frankfurt: The German shipyard that built the *Estonia* ferry, which sank last September in the Baltic Sea killing more than 800 people, denied any blame for construction faults. A partial report has blamed weak door locks and weak steel in the bow visor among reasons for the disaster. A lawyer for the shipyard rejected these causes and said that the vessel apparently struck an object. (AP)

Vatican exhibits rare Hebrew text

Jerusalem: The Vatican has put on display at the book fair here the oldest-known bound volume in Hebrew, an 8th-century commentary on the Book of Leviticus following the launch of diplomatic relations last year. The Dead Sea Scrolls, although written earlier in ancient Hebrew, are not bound. (AFP)

Menem son dies

Buenos Aires: Carlos Menem Jr, the son of Argentina's President, has died in hospital after a helicopter crash. He was 25. Mr Menem suffered a fractured skull and doctors said he had several heart attacks before he died. (Reuters)

Stolen art found in Jerusalem

Jerusalem: Paintings and drawings by Van Gogh, Picasso, Matisse and Degas, taken by armed robbers in Paris last month, have been found by police in Israel (Christopher Walker writes).

Eric Bar-Chen, the chief Israeli police spokesman, said last night that six of the missing masterpieces were

discovered in a car in Jerusalem last Saturday and eight others in the rented Tel Aviv home of one of the two passengers, Marc Sibbon, 53, a Frenchman. He and another occupant of the car, Muriel Ben Harish, 48, an Israeli art dealer, are in custody. Mr Bar-Chen said that final authentication of the

artworks, believed to be worth millions of pounds, was being urgently conducted by local experts. "We received an anonymous telephone call on Saturday about a suspicious Mercedes in Jerusalem," he said. "We intercepted the vehicle and were surprised to discover six masterpieces inside."

Yale University talks itself out of \$20m donation

FROM BEN MACINTYRE IN NEW YORK

A TEXAS billionaire has asked Yale University to return a \$20 million (£12.3 million) gift intended to bolster the teaching of Western civilisation, after criticism from faculty members who wanted the money to be spent promoting a more "multicultural" approach to history teaching.

Lee Bass, an oil magnate, noted philanthropist and Yale graduate, gave the money in 1991 on condition that it was used to teach students about the great works of Western art, literature and philosophy. Some liberal faculty members, however, complained that Yale already offers numerous courses on the works of "dead white males", and most of the money remained in a bank for four years while the university debated how it should be spent.

Finally Mr Bass, 38, lost patience at the continuing delay and demanded the right to approve teachers for the courses. This week Richard Levin, the president of Yale, said that the university could not submit to those conditions and agreed to refund the money, with interest. "Returning this gift is the right thing to do," Mr Levin

said, while insisting, "Yale's delay in launching the course had nothing to do with its content." Mr Bass said that the decision to return the money was "mutual".

Conservatives, however, have complained that the planned European history course was effectively sabotaged by liberals who wanted a more politically correct teaching agenda focusing on women and minorities.

"The course was simply not put in place," Christopher Long, of the Intercollegiate Studies Institute, told *Newsday*. "Meanwhile, new programmes have been put in place, like gay studies."

The loss of Mr Bass's donation, one of the largest made to Yale, has come as a severe blow to the university, which is running at a \$12 million budget deficit. Anger generated by the fate of the donation has had an effect on other potential donors. Another Yale graduate, Robert Eskridge, had intended to give \$500,000 but is reconsidering his offer. "Academic freedom is being wiped out by a radical faculty who have an agenda of their own, of multiculturalism," Mr Eskridge said.

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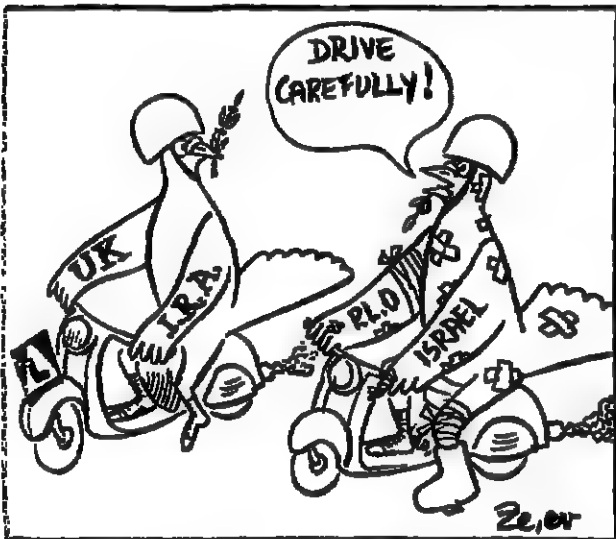
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Zeev, in *Haaretz*, gives John Major some advice

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Nobel prizewinner escaped Argentine navy 'death flights'

By DAVID ADAMS, LATIN AMERICA CORRESPONDENT

REVELATIONS by Adolfo Perez Esquivel, the Argentine winner of the Nobel Peace Prize, have added weight to new evidence that the country's former military dictatorship killed hundreds of torture and kidnapping victims by dumping them into the sea from aircraft.

Señor Perez Esquivel has described how he was arrested for his work as a human rights activist in 1977, put in chains and forced to board a navy aircraft by four policemen. At the last minute he was spared,

but, according to evidence provided for the first time last week by an Argentine military officer, as many as 1,500 to 2,000 people were killed on weekly "death flights" arranged by the Navy.

The detailed account provided by Adolfo Scilingo, a retired Argentine Navy commander, has reopened old wounds in the "dirty war" conducted by the country's military dictatorship against suspected leftists.

At least 14,000 people are believed to have died during the campaign of repression

which peaked in the late 1970s. However, many victims "disappeared" and the bodies were never returned to their families. The relatives of missing people are now learning the awful truth for the first time, confirming long-held suspicions of how the military disposed of the bodies.

"At the time, we knew prisoners were dumped in the sea," Señor Perez Esquivel said. "I, too, thought that my time was up but apparently my captors received orders to the contrary at the last minute."

Señor Scilingo is the first former Argentine military officer to admit to participating in the flights. He said that in 1977 he was ordered to push 30 prisoners out of planes flying over the Atlantic. The prisoners were alive but unconscious, after being drugged before boarding the plane.

Señor Scilingo said that many of the victims were so weak from torture and lengthy detention that they had to be helped on to the aircraft. They were injected with a sedative by Navy doctors before being stripped and pushed to their deaths.

However, the former naval officer told *The New York Times* that he was not repent-



Adolfo Perez Esquivel, centre, leads a march during a protest fast in 1983

ant. "I don't repent because I am convinced that I was acting under orders and that we were fighting a war," he said. Under a broad pardon granted by President Menem to military officers accused of human rights abuses, the senior officers responsible for

ordering the mass executions, are immune from prosecution. Señor Menem has defended the pardons as necessary to safeguard democracy and to avert unrest in military ranks, which led to three barracks uprisings in the 1980s. The military has refused to com-

ment on Señor Scilingo's confession. Señor Perez Esquivel, 63, was honoured by the Nobel Committee in 1980 for his human rights work in Latin America as head of the Peace and Justice Service group. The military dictatorship did not end until 1983.

Japan rejects Briton's claim of jail abuse

FROM GWEN ROBINSON IN TOKYO

A TOKYO court yesterday rejected a claim by Sigrun Kai Falkinn, 34, from Eastbourne, for ten million yen (£70,000) in damages for abuse he allegedly suffered while he was awaiting trial at the Tokyo detention centre.

His case is nevertheless likely to draw greater attention to the flaws in Japan's prison system, fuelling growing criticism by international human rights groups and claims of abuse by other former inmates.

Mr Falkinn was arrested in December 1990 on suspicion of helping his brother to rob a grocery shop in Tokyo. The trial proceedings dragged on for 15 months, during which time he claims he suffered repeated physical and mental torture at the hands of prison guards at the centre.

Mr Falkinn, who is a British citizen but took his Icelandic name from his mother's side of the family, was eventually found not guilty. His brother was convicted and served a prison sentence.

After his acquittal in March 1992, Mr Falkinn claimed ten million yen in compensation from the Japanese Justice Ministry, alleging that he was physically and psychologically abused and denied access to the British Embassy during his detention. He described the detention centre as a "living hell" in which he was

subjected to varying degrees of torture and treated "like a brute animal".

He said: "The violence started when I answered back to a prison warden. He told me to take my feet off the bed and I replied in Japanese, 'Don't speak to me like a pig. I'm a human being'." Mr Falkinn claims that two guards then dragged him out of his cell. In the ensuing struggle he fell against a window-pane, cutting his face, wrist and foot. Then he was pushed into a small cell, where a wet towel was forced into his mouth and he was stripped and beaten before being taken to the prison hospital to have his wounds stitched.

For the next seven months he was kept in solitary confinement in a tiny cell with no windows or furniture apart from a chamber pot. He said that all he could do was crouch all day long. "The smell was foul and the floor crawled with cockroaches, spiders and other insects," he told an interviewer.

His complaints, however, were rejected by Hisao Sato, the presiding judge in the Tokyo district court. The judge said that there was no confirmed evidence of violence against Mr Falkinn. Mr Falkinn is unlikely to appeal the decision, according to Kazuyo Sakurai, his lawyer.

Cardinal 'murdered'

MEXICAN authorities are investigating evidence that the death of a Roman Catholic cardinal two years ago was an assassination and not accidental, as previously believed (David Adams writes).

Cardinal Juan Jesús Posadas Ocampo, Mexico's second highest Roman Catholic cleric, died outside Guadalajara airport on May 24, 1993. His chauffeur and five bystanders were also killed.

The new evidence could discredit several existing theories put forward by previous government investigators, one of which was that the

cardinal was unwittingly caught in the crossfire of rival drug cartels at war. But, as in two other high-profile Mexican murder cases under investigation, public opinion and the church hierarchy were unconvinced by the official explanations.

The Guadalajara shooting was the first of three prominent unsolved killings in little more than a year. The other two victims were Luis Donaldo Colosio, the presidential candidate for the ruling Institutional Revolutionary Party, and José Ruiz Massieu, its deputy leader.

Peking rules out Tibet referendum

FROM JAMES PRINGLE IN PEKING

A REFERENDUM on the future of Tibet, proposed by the Dalai Lama, is out of the question, a leading Tibetan Communist Party official said in Peking yesterday.

Speaking during the annual uncomfortable exercise to justify the continued Chinese occupation, Mr Raidi said that a referendum was only "a new trick by the Dalai clique and anti-Chinese Western forces to split China".

Clearly ill at ease and sweating profusely, with his face contorted and lips pursed, Mr Raidi — he has only one name — the Tibetan People's Congress leader, said: "The Tibet autonomous region is under the sovereignty of China so the question of the holding of a referendum does not arise as Tibet is an inalienable part of China."

Yesterday's session came during the final days of the annual sining of China's rubber-stamp parliament, the National People's Congress, and is the only event of the year during which Chinese

officials seem at least slightly discomfited. Mr Raidi said that under the leadership of the Chinese Communist Party, the 2.3 million Tibetan people "are living in contentment and happiness".

He continued: "Once the Dalai Lama renounces his position of Tibetan independence and entirely stops all these activities aimed at splitting China, the central government will be happy to see him putting an end to self-exile and come back to China to do something good and useful for the prosperity and happiness of the Tibetan people."

In a statement last week, the Tibetan spiritual leader told his countrymen to prepare for a worldwide referendum to decide on the future course of the struggle against Chinese rule. He indicated that, whether the Chinese authorities approved or not, secret votes would also be cast in Tibet. He warned that Peking's failure to negotiate with him could lead to violence by frustrated Tibetans.

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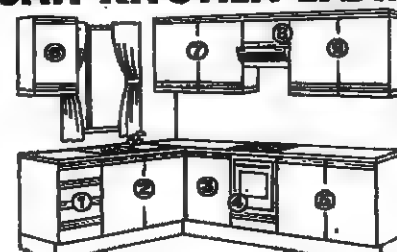
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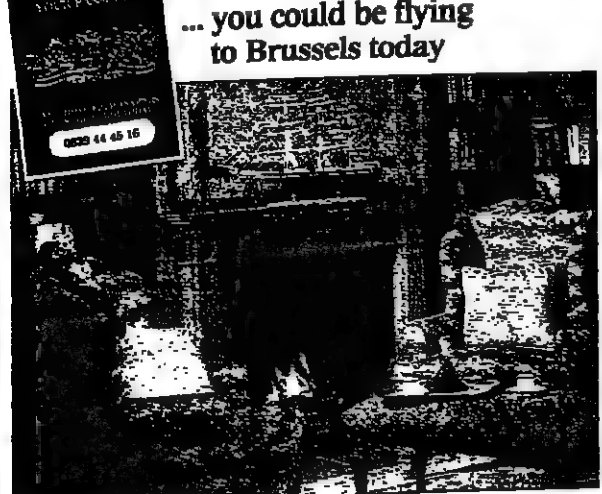
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THE TIMES Don't forget your passport



Hotel Montgomery: comfort, luxury and a warm welcome

ENTER today's Don't Forget Your Passport competition and you could be taking off later today for a short break in Brussels.

An unusual mixture of the international and the provincial, the city has cobble streets and wide boulevards, gothic churches, and shops selling lace and handmade Belgian chocolates.

One of three hotels offered by Cox & Kings is the deluxe Hotel Montgomery. The rooms are exquisitely decorated and each has cable television and a small library.

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HOW TO ENTER

The winner of yesterday's Madrid break was Mrs Sophie Roebuck, a Liverpool music teacher. For a chance to win the Brussels holiday for two, ring 0839 44 45 16 before 3pm with the answers to the following questions. We will contact you later today if you are the winner.

1) In which city is the headquarters of Nato?
2) Which fictional detective was a Belgian?

The winner will be drawn from all correct answers received by the time the times close. Normal Times Newspapers competition rules apply. Cash cost 30p a minute plus rate and 49p at all other times.

Cox & Kings

Tomorrow: the chance to win a short break to Boston

Joanna Pitman meets the chartered surveyor who will be kicking for England on Saturday

The boys' own hero in a city suit

Robert Andrew, chartered surveyor, associate director of DTZ Debenham Thorpe, marches crisply into his office reception, head thrown back, hands in pockets, starched collar, razor-sharp creases — a quintessential City Suit with an air of inescapable purpose. Could it be something to do with the £400 million-worth of international property deals that he and his team intend to clinch by the end of the year?

Andrew has a reputation as a safe pair of real-estate hands. A Cambridge graduate, he is a good, sober player who can be relied upon to broker a tidy deal under pressure, and then follow up with the sort of judicious mix of joshing and banter that cements client relationships and bonds an office team together.

But this week will be different. At lunchtime yesterday, Andrew slipped out of the office and checked into an hotel in Richmond, charcoal-grey pinstripes abandoned in favour of a tracksuit and trainers. The chartered surveyor will by now have transformed himself into his more familiar incarnation as the stand-off half of the England rugby team, the 62-times capped hero of thousands of English rugby fans.

Until the match on Saturday when England play Scotland at Twickenham, Andrew will effectively be in quarantine with his team-mates, going through the motions of last-minute training, tribal bonding and the delicate process of building team confidence.

By now the barometer of tension will have begun to rise. "The build-up to this week to Saturday is going to be immense," Andrew says. "I do get nervous but I have to control my nerves. In the heat of the battle you have to be

individually and collectively very much in command."

The pressures this week will be exacting, not least because Andrew insists on keeping in touch with his office and monitoring the progress of deals in Singapore or Hong Kong. Last week he was abroad on business for three days, returned on Saturday and went directly from the airport to the rugby pitch for training. He snatched a few hours with his wife Sara and their four-year-old daughter, Emily, that evening, but was back training again all day Sunday. By 8.30am on Monday

he had performed another Clark Kent transformation and was back at his DTZ desk, all spruce silk tie and serious spectacles.

Andrew is a man of rigorous and unforgiving high standards who has trained himself brutally to compartmentalise his life. "When I leave the office and I'm on

the pitch I really have to leave it all behind and put everything into the game. I try to work hard and play hard, and after a weekend of rugby I'm rather glad to be getting on the Tube again to go into the office."

What about Emily and Sara? His wife will be sitting at home on Saturday, eight and a half months pregnant, praying that her husband isn't going to get mauled, kicked and socked in the teeth. "Sara has been very understanding because there's such a huge commitment involved. As I get older [Andrew is 32] the pressures grow from all sides. My career becomes more serious, my family responsibilities grow and rugby standards keep rising, so I have to train harder and harder. But I get so much enjoyment out of it I've just had to learn to cope with the pressures."

Rugby is Andrew's reli-



Rob Andrew at work: last week he flew home from a three-day business trip and went straight to rugby training

gion, and a Calvinistic religion at that. He has devised for himself a systematic programme of non-stop "hardening" exercises, run at a blistering pace. He is a natural athlete, effortlessly good at all ball games, and could probably have played for England in several different sports. He was captain of cricket at Cambridge and, even then, stood out in the crimson colours of St John's College as some kind of special sporting being — his physique is the athletic ideal of a long, inverted pyramid, broad shoulders narrowing to a slender waist and long, steely legs. By the time he graduated, in 1985, he was playing rugby for England.

and his darting heels, will-o'-the-wisp figure and impish grin made him an early idol. But Andrew is also, as everyone says, such a nice guy, always genial.

He is a real man's man, always ready with bar-room conviviality. There is something earthy about him that makes you think of cheese and beer. His face is open and good-humoured, yet control is his thing and those broad grins mask a steely nerve. Even his eyebrows have muscles.

He controls the interview just as he controls his three-tiered life. Not a minute can be wasted when there is an

hour and a half of training to be done four or five evenings a week, playing with his club — Wasps — on Saturday afternoons and with the England squad on Sundays. And that's an easy week.

You can picture him now immersed in that exclusive world of bonding and brawn with the smell of liniment and fear. By the time the deafening roar rises from the stands as the England squad sprint out on to the pitch on Saturday afternoon, they will have conquered that fear and be imbued with an unassailable certainty of victory.

"Saturday morning is the most nerve-racking time. There's no turning back and the stomach is really churn-

ing. You need the adrenalin but you need to control it. If you hold together and haven't become a nervous wreck by the time the whistle blows, you're all right."

If they win on Saturday Andrew will be released with the rest of them into a torrent of exuberance, bawdy songs rising from the steaming showers and buckets of beer guzzled at speed. But you get the impression that Andrew will still, even then, retain that tiny controlling edge — not too much drink, not too much larking. Because by Monday morning he will be back at his DTZ desk, the family man carrying a briefcase chockful of responsibilities.

Could you ring back a bit later, Mr Clinton?

Martin Fletcher on how Presidents simply do not fail to get connected

THE CELEBRATED White House switchboard operators boast of their ability to track down anyone anywhere at any time, but after five days they were still struggling to connect America's President with Britain's Prime Minister last night.

British and American officials trotted out a bewildering array of reasons for Bill Clinton's sustained failure to connect with John Major. They claimed it was because the Prime Minister was travelling in the Middle East, though Mr Clinton first tried to call Mr Major last Saturday when he was at home in Huntingdon. They claimed the lack of a secure line, that the two men's diaries would not "gel", and that "talks between world leaders take time to set up".

All of that is, of course, utter balderdash. The American President has one of the world's most sophisticated communications systems constantly at his side, and Downing Street is hardly a string with a can on the end.

Martin Fitzwater, the former White House spokesman, remembers receiving a call from the White House in 1986 while rafting down the Lijiang river in China with George Bush, then Vice-President. Women were washing their clothes on rocks on the riverbanks. "There was at least 2000 years of civilisation between those women and my satellite telephone," he said.

He remembers, before the Gulf War, standing in a "chow" line in the Saudi desert with President Bush when they learnt of Margaret Thatcher's resignation. Within minutes Mr Bush was communicating with her by telephone. He remembers Mr Bush conducting delicate pre-Gulf War diplomacy from his golf cart in Kennebunkport or while fishing from his speedboat out at sea.

During the Cold War, fearing a sudden Soviet nuclear attack, the US Army Signals Corps developed a system that ensured America's President was never more than two minutes from a telephone, and that system persists today.

There are telephones on trees in the woods around Camp David for when the President goes jogging. Whenever he walks anywhere he is followed by a military officer bearing a suitcase with a collapsible satellite dish and secure telephone.

Air Force One is equipped with no fewer than 85 telephones, not to mention other sorts of secure communications networks and back-up systems, and bristles with 55

antennas. A normal Boeing 747 has 17.

Back in the Oval Office he has his "hotlines" to other world capitals. The White House even has two switchboards, the one the public knows about and a second used only by officials so it is never jammed. The latter can "patch" calls through to the President wherever he may be.

On those rare occasions when the President cannot reach a foreign counterpart there is always a good reason. For three days in February 1994 Mr Clinton was quite unable to reach Boris Yeltsin at his dacha outside Moscow.



"Major, That's M-A-J-O-R."

At first it was thought the Russian President was furious about some Nato decision on Bosnia, but US officials later concluded Mr Yeltsin was on one of his drinking binges.

Occasionally, said Mr Fitzwater, a foreign leader would not take a call from the President because he was still formulating his position on an issue, but in the case of Mr Clinton and Mr Major this week that would be "the generous view. The less generous view is that there are other reasons why they don't want to talk. It does seem President Clinton has been a little insensitive to the views of the United Kingdom."

THE DIPLOMATIC world is famous for its euphemisms. Spies are expelled for "activities incompatible with their diplomatic status". When leaders have had a "full and frank exchange of views" you know they have nearly come to blows. Mr Major and Mr Clinton have now coined a new one — "we tried to speak by telephone but couldn't get through".

Translated, it means the Prime Minister was livid at Mr Clinton's support for Sinn Féin's Gerry Adams and was damned if he was going to let the President soft-soap him on the phone.

His mother, Rosemary Wade, wrote more than 40 novels. "I do remember an awful lot of angst, jealousies, pain about reviews. I saw a writer's life as rather miserable and soul-destroying."

With that in mind, their son read history at University College London and upon graduating was offered a job at ITN, on the basis that the cricket team lacked a good bowler and Seymour was a master of the googly. Within a week he was covering the Great Train Robbery and for 15 years was a "fireman", reporting from trouble spots. "Oh, it was all wonderful Boy Scouts in short trousers stuff," he smiles, misty-eyed. "It was all very selfless, I was away for six months of the year. My wife brought up our two sons alone."

Harry's Game was written in lunchbreaks and even when its creator had to seek tax exile status in Rome, he continued to regard writing as a hobby. "The worst word is my vocabulary is formula. Once your work become formulaic you are going down the slope. If I stop for a second, I'll die of boredom."

● The Heart of Danger (HarperCollins, £14.99)

The man who makes a thriller out of a crisis

Julia Llewellyn Smith meets Gerald Seymour, for whom a war is raw material

Gerald Seymour, the thriller writer, is the kindest, most decent of men, whose dearest wish would be to see a New World Order of milk and honey, love and harmony. But that didn't stop him spending the past 14 months praying for war to continue in the Balkans.

"I have sweated," he says, leaning forward confidently in the smart Westminster restaurant, crammed with the mandarins he describes so knowingly. "It would have been a disaster if peace had broken out. It wouldn't have done at all."

Ruthless, but forgivable, given that two years ago Seymour, a former ITN reporter, had travelled to Croatia and on into the killing fields known as Sector North, to research his latest novel, *The Heart of Danger*.

He started writing in August and submitted it to his publishers in December 1993. "The problem is I never tell them where I'm going next and so they didn't have a slot for me, because they were going all out on Danielle Steel or whoever. So I just had to sit and hope that nothing changed, because I would have looked very stupid indeed."

Luckily for him, the blood-

thirstiness is unsated and atrocities still flourish in that obscure corner of Europe. It may not last for long, though. Seymour has a Nostradamus reputation (his novel *Condition Black* about the invasion of Kuwait and selling of nuclear secrets to Iraq was published on the day the Gulf War started), but in fact his attentions are an augury of instant glasnost.

"Yes, in 1985 I was in Magdeburg in the DDR where there wasn't even a restaurant for foreigners to eat in. Look at it now. There was Afghanistan, northwest frontier, in 1982. There was South Africa and northern Israel. In 1990 I was at Aldermaston, which was the most secret of places. Now they probably take busloads of Japanese tourists round."

And then there is Northern Ireland, the subject of his most emotive novels, including his first, the bestselling *Harry's Game*. "Yes, I thought Ulster would see me through," he sighs. "But not to worry. Just because the Berlin Wall has come down doesn't mean we will all live happily ever after."

Conflicts will keep going for ever."

And so will Seymour, 53, a tall, pink-faced and endearingly nervous man whose sales figures (4 million novels worldwide) have done nothing to calm a raw neurosis. He lives on a 50-acre estate in Somerset, he has been compared to Eric Ambler and Graham Greene, but he still relies on a terror of humiliation to keep the adrenalin pumping and the words churning. He can quote the past 20 years' reviews verbatim, and agonises, in rambling sentences quite different from his spare prose, over the merest hint of dissent. "Oh, I know I've been successful in the past, but that won't help the next time. I know that each new novel will be the one

where they say 'Oh dear, silly old codger's finally lost it.'"

Well they haven't said so yet, and *Heart of Danger* is every bit as moving and informative as any of the past 14 novels. Seymour's gift is to be able to dump his readers in the heart of any world crisis, give them

a briefing that replaces a year's worth of *Newsnight* and then zoom in on a set of characters straight out of *Casablanca*.

"The modern thriller is the sequel to the western," says Seymour. "They take me back to being aged 12, and coming

out of the cinema having seen *Shane* with a little choke in my throat. They are big, simple, black and white stories."

Not that black and white, actually. *The Heart of Danger* vibrates with ambiguity, as Penn, the hero, risks his life in an act of just revenge, oblivious to its effect on cynical political compromise. The Army refused to co-operate with the filming of *Harry's Game* because the novel was thought to be too sympathetic to the IRA.

And in Seymour's world the good tend to die young. When he submitted that first novel to HarperCollins there was much debate about the tragic ending. Seymour giggles. "My editor was deputed to ask if I minded if Harry was only shot and wounded. I said I did



Into action: Gerald Seymour devotes a month each year to research

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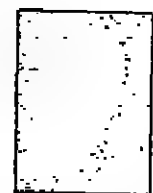
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□ More effective shingles treatment □ Smoking's link with diabetes □ Hormone replacement therapy without bleeding



VALTREX, a modification of the drug Zovirax (acyclovir), marketed by Wellcome, has been introduced this month for the treatment of shingles. The prescribing guide Mims reports that although Valtrex is taken only three times a day, as opposed to five times daily with Zovirax, it is better absorbed, acts faster, is more effective, and causes fewer important side-effects.

Contrary to the fears of an earlier generation, the patient's life is not in peril should the bands of the blistering rash of shingles meet to form a continuous belt around the body. Death from shingles must be exceptionally rare, but having an attack can be unpleasant.

It is not only painful and unsightly but can cause residual pain and post-herpetic depression. Every year, 6,000 patients are driven to seek specialist advice from a hospital consultant because of these, and other, complications of the condition.

Shingles, one of the herpes

Painful legacy of chickenpox

family of diseases, is the result of the re-activation of the chickenpox virus, varicella-zoster, which has lurked in a dormant state in the patient's posterior root ganglia of the spinal cord ever since a childhood attack of chickenpox.

Sometimes the virus is activated by obvious damage to the posterior ganglia, but more often the stimulus is provided by an overall deterioration in the patient's general health.

The same harpies who waited with relish to see if the rash would meet in the middle also took a



MEDICAL BRIEFING
Dr Thomas Stuttaford

morbid delight from speculating on the possible reasons why the victim might be run down. Was he or she overworking? Were they drinking too much? Were domestic stresses and strains causing sleeplessness and tiredness? Was it a warning that some other debilitating disease, possibly cancer, lay hidden in the patient?

The harbingers of doom were not mis-taken; all these situations can precipitate an attack of shingles but often the cause is unknown. Shingles can strike whenever the body's immune system is

compromised, so although it can occur at any age, it tends to be more commonly found in the older age groups in whom the system is less robust.

It is easy enough to diagnose shingles when the distinctive red rash — which soon becomes blistered and later scabby — appears. The difficulty is to recognise the disease in its early stages when the patient merely complains of feeling unwell and suffers inexplicable, localised pain which can be mistaken, depending on its site, for pain from a disc lesion, appendicitis, diverticulitis, gall bladder disease or pneumonia. Only when the rash appears is the truth revealed.

Shingles should be treated as a neurological rather than a dermatological disease. Early treatment within 72 hours of the rash appearing will lessen the chances of developing serious problems of post-shingles pain and post-shingles depression. This is particularly important in older patients, in whom there is a high incidence of persistent pain and post-herpetic misery. It is also essential if there is any suggestion of the face or eyes being involved.

Cigarette risk



THE list of side-effects of cigarette smoking continues to grow. It is now almost universally accepted that it is a risk factor in the aetiology of cancer of the lung, mouth, oesophagus, cervix and bladder, and that it is involved in heart disease and peptic ulcer. Its close relationship with diabetes has not previously been exposed, but now a survey has shown a clear correlation between them.

A study in Boston, Massachusetts, of 42,000 men between the ages of 40 and 75 found that those who smoked 25 or more cigarettes a day were twice as likely to develop non-insulin dependent diabetes than controls.

Another survey, by physicians from the Royal Free Hospital, London, published in the *British Medical Journal*, found that to avoid diabetes it helps if you have a slow pulse, sound coronary blood vessels, no gouty tendency, and are not overweight.

The good news is that a modest dose of alcohol each day, between 16 and 42 units — a range which accommodates a half a bottle of claret a day — seems to protect against diabetes. In fact, alcohol taken in reasonable amounts provided better protection than moderate physical exercise, which is also helpful.

HRT helper



THERE are two interesting developments in gynaecological medicine this week.

A new hormone replacement therapy (HRT), the first combined pill to be licensed for continuous daily use, has been launched by Novo Nordisk. Kliofem is an HRT pill with a difference because the vast majority of women who take it will not find that monthly bleeding starts again; though 25 per cent will have some initial spotting, this usually clears within six months.

General Practitioner magazine reports that Kliofem is suitable

only for women who have had no periods for at least a year.

The absence of any resumption of periodic bleeding when taking Kliofem should encourage women to persevere with their HRT: at the moment, the drop-out rate within a year or two of starting HRT is unacceptably high. Many women refuse long-term treatment because their periods return: not only because of the inconvenience but also, possibly, because there is an almost subconscious feeling that regular bleeding is a problem of, and sign of, youth and is inappropriate in late middle-age. They perhaps feel that they are dishonestly assuming the mantle of a younger woman. Like other HRT preparations, Kliofem can give rise to symptoms similar to the pre-menstrual syndrome.

The other news is that Depo-Provera, a slow-release contraceptive about which there was considerable controversy when it was introduced, has now officially been approved as a first-line option for women who want long-term contraception: previously it was recommended only for those in whom other methods are unsuitable.

When a child gives up meat

Should parents worry about the impact of a strict vegetarian diet?

Dr Trisha Greenhalgh reports

More and more perfectly ordinary people, particularly among the young, are giving up meat. The Vegetarian Society claims that 2,000 people every week are converted to the humanitarian, economic, spiritual, and physiological advantages of a meat-free diet.

Despite eating turkey at Christmas and black pudding when pregnant, for the past 20 years I have stuck to my (predominantly) meat-free and high-pulse diet because I believe it is healthier. But am I justified in this belief? Should parents worry or be pleased when their children follow the trend and turn against meat?

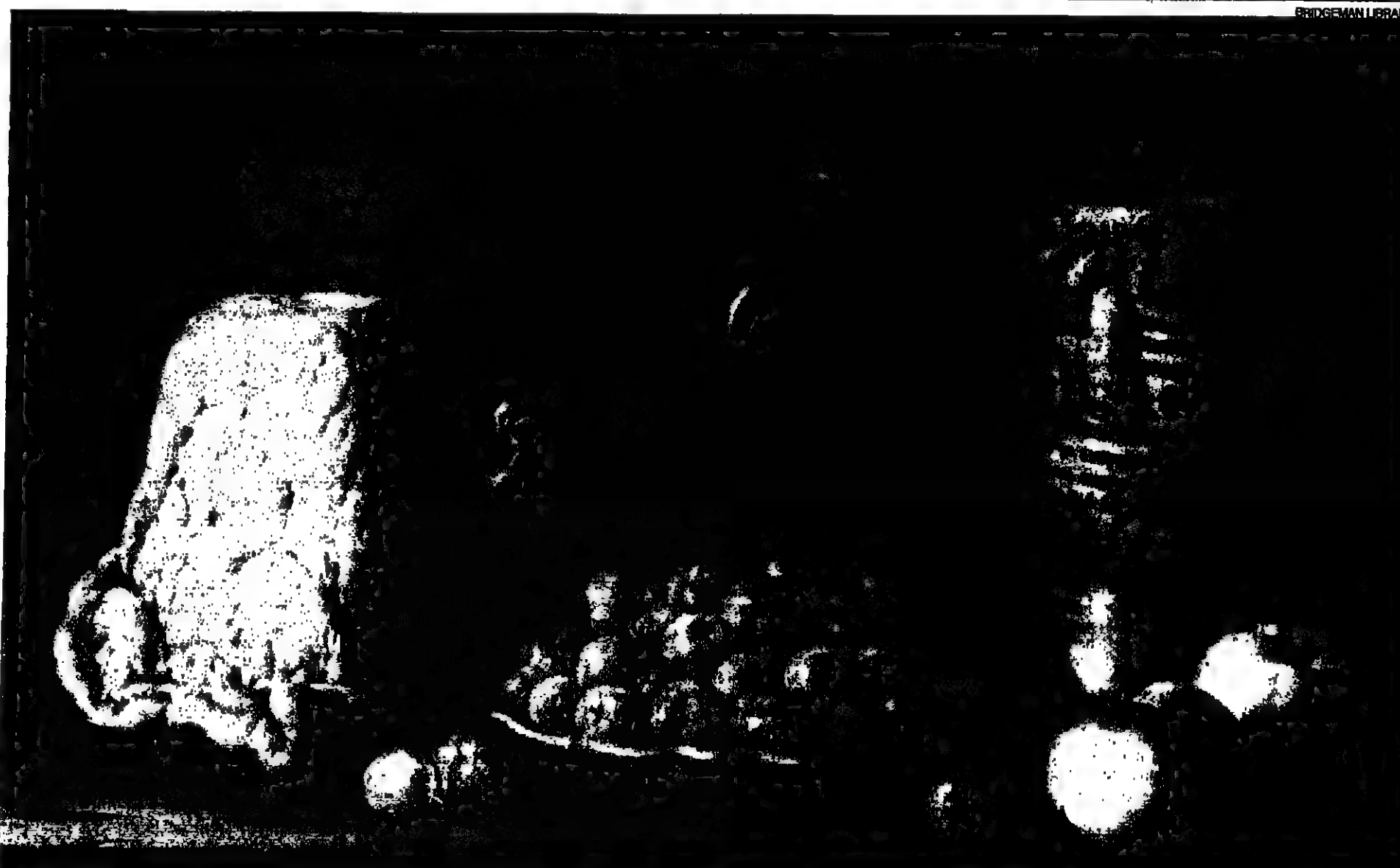
The scientific literature on the subject is difficult to interpret. People who do research into the putative benefits of vegetarianism often have firm ideological views before they start. In one study the vegetarian contingent was recruited largely or entirely from Seventh Day Adventists, most of whom hail from affluent parts of America and whose religious faith also forbids alcohol and tobacco.

One of the more credible research studies, conducted by a group of Oxford epidemiologists with no particular axe to grind, recruited 6,000 vegetarians through the British Vegetarian Society and asked each of them to nominate a meat-eating friend or relative to act as a control. Twelve years

later, the overall death rate in the vegetarians was 20 per cent lower than in the meat eaters, even after adjusting the figures for differences in gender, social class, smoking status and degree of obesity between the two groups. Deaths from cancer were 39 per cent lower, and those from coronary heart disease 28 per cent lower, in the vegetarians.

The Oxford study did not, however, account for differences in the amount of exercise taken. Vegetarian women in particular may make large amounts of exercise. In contrast, an American study of 5,000 young adults found vegetarians had significantly better cardiorespiratory fitness than meat-eaters. Differences in exercise may partly account for several other benefits seen in vegetarians and generally attributed to their diet: lower body weight, lower blood pressure, lower cholesterol levels, and a substantially reduced risk of diabetes.

However, studies in which habitual meat eaters changed to a vegetarian diet for a month or two have consistently demonstrated improvements in cholesterol levels. The changes reversed when the subjects returned to their usual diet. Unhealthy constituents of meat, particularly saturated fatty acids, and positive constituents of the vegetarian diet, particularly antioxidants (vitamins C and E and beta-carotene), were thought to be jointly responsible.



The Spanish artist, Luis Meléndez, makes a vegetarian meal seem irresistible in this *Still Life with Fruit, Cheese and Containers*. Will you live longer, though, without meat?

Very few studies have compared a no-meat diet with a low lean-meat diet in terms of heart disease risk. In general, a low lean-meat diet seems to produce LDL cholesterol and blood pressure levels intermediate between those of strict vegetarianism and the standard Western diet.

The link between vegetarianism and reduced risk of cancer is complex. Lung cancer is commoner in meat eaters, partly (but not entirely) because of the higher prevalence of cigarette smoking in this group: ascorbic acid in fruit may protect against the condition. Cancer of the colon and rectum may be related to particular constituents of cooked meat, heterocyclic amines, which are carcinogenic at high dose in animals. But there is also evidence that folic acid, phytoestrogens and protease inhibitors, present in

plant-based diets, protect against the condition.

But the results of two recently published large studies preclude any simplistic conclusion that "meat causes cancer". In one, the risk of colon cancer in American women rose steadily the more pork, beef and lamb they consumed, but eating skinless chicken or fish was associated with reduced risk of this condition.

In the other study, 1,900 strict or semi-vegetarians in Germany were followed up for 11 years. The overall death rate was 25 per cent higher, and the risk of cancer 50 per cent higher, in those who never touched meat or fish than in those who ate it occasionally. The authors concluded that strict vegetarianism may lead to malnutrition, which in turn might predispose to cancer.

Highly restrictive, faddy diets can cause nutritional deficiencies and serious health problems, particularly in vulnerable groups such as growing teenagers, pregnant women and people already diagnosed as having cancer. Deficiency of vitamin B12 follows inevitably from a strict vegan diet (no meat, fish or eggs); sufferers become anaemic and eventually develop nerve damage.

Deficiencies of other B vitamins, notably B6, have been found in some studies of strict vegetarians. Vegetarian children tend to be taller but leaner than their meat-eating contemporaries, but strictly vegan children may not meet their calorie or protein requirements and can become growth-retarded, while the exclusively breast-fed infants of vegan mothers can develop B12-related mental retardation.

This is reversible once the deficiency is rectified.

A study just published in the medical journal *Thorax* showed that the incidence of tuberculosis in ethnic Asian people in south London was more than eight times higher in vegetarians than in regular meat eaters. Here the differences were attributed to dietary vitamin D deficiency, which is believed to weaken the immune system.

Iron deficiency is commoner in vegetarians, particularly in those who have only recently changed their diet. One study found that white teenage girls who had gone vegetarian were five times as likely to be iron-deficient as their meat-eating friends, while Asian vegetarian teenagers were 50 per cent less likely than Asian meat eaters to be iron deficient. This is in line with other evidence that nutritional deficiencies

occur most frequently in people who describe their vegetarianism as an "exclusion diet" rather than as a traditional part of their culture. It is well established that a high-carbohydrate, high-fibre, low-fat, low-meat diet containing a variety of fresh fruit and

vegetables, and supplemented with oily fish or fish oil, has significant health benefits. But the evidence is more equivocal as to whether the prudent diet can be improved still further by removing all lean meat.

Dr Trisha Greenhalgh is a GP in North London.

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A cautionary tale about people with 'just a touch' of angina

Dr Kieran Sweeney read one piece of research and changed his practice

The pleasant, 70-year-old retired farmer asked: "I think I might have a touch of angina, doctor, but that's not terribly serious, is it?" The question seemed simple enough, but in fact it is not easy to answer.

Most of the guidance on how to investigate and treat angina is based on studies from specialist clinics, where they see the one-fifth of angina sufferers whose symptoms have been severe enough for referral. Until recently I had felt reasonably confident about managing angina, especially if the symptoms were mild, infrequent, and did not disrupt the patient's life too much.

If a nitrate spray was not enough to relieve symptoms, then I would prescribe the longer-acting nitrates. Beta-blockers and the newer calcium channel-blockers also form the front line for treating chronic angina. Where necessary, I also recommend giving up smoking and losing weight.

Overall, I followed the normal practice of referring only those whose symptoms were difficult to control with drugs or who were experiencing angina at an early age. Such action was recommended to GPs only last August by the NHS-supported Medicines Resource Centre. But then I read a study in the *British Heart Journal* which suggested that this course of action might miss many patients whose symptoms, although mild, would be better treated by surgery. It painted a different and compelling picture of the way in which patients such as the retired farmer should be managed.

For the study, researchers at the University of Southampton cardiology department obtained the agreement of more than 100 GPs in their area to refer every patient who appeared for the first time with symptoms of angina to a chest pain clinic within 24 hours.

A total of 103 patients were referred in this way and each

was given an exercise ECG, which involves performing increasingly strenuous exercises on a treadmill while wired up to an ECG (electrocardiography) machine. Nearly one-third had significant changes, suggesting that the heart was under sufficient strain to warrant more invasive tests such as an angiogram (X-ray of the coronary arteries). Almost another third had lesser changes on the exercise ECG which, although not requiring immediate follow-up, indicated that the heart was not working as efficiently as expected.

These results made me think that perhaps all patients who present with angina should have an exercise test on their heart.

Although this study did not last very long — the median follow-up period was 16 months — some of the results suggested that referring to a

"touch of angina", as my patient had done, might be to underestimate the problem. About 10 per cent had a heart attack or other serious complication of angina during the course of the researchers' observations. And nearly one-fifth went on to have surgery to their coronary arteries, either by angioplasty, where the artery is dilated up with a small balloon under X-ray guidance, or full cardiac surgery to reconstruct the coronary blood supply (CABG operation). What we do not yet know is if these operations increase life expectancy. They certainly relieve pain, although angioplasty may have to be repeated.

It is rare to read a research paper that changes one's practice, but this one has. In future I will probably refer patients with angina more quickly for specialist assessment. But if every GP does the same, cardiac laboratories will be swamped — more than 22,000 patients will turn up with new symptoms of angina in a year.

Dr Sweeney is a GP in Exeter.

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Janet Daley



■ Oh why can't the English learn to speak — straightforwardly?

Hypocrisy has had a good week. Single-handedly, Peter Tatchell has rehabilitated it as a minor virtue — or, at least, as the most benign of vices. Even those newspapers which had given him most tacit encouragement in the past, and were therefore partly responsible for his hubris, rounded on him with blood-curdling condemnation. But Mr Tatchell is apparently unrepentant about the mauling he has taken in the public prints. He seems not to understand why his charge of hypocrisy did not automatically cast his enemies into outer darkness, this being the only absolute and unquestionable transgression in the modern moral code. He was, after all, simply carrying to its grotesque logical conclusion a philosophy which has prevailed for 30 years among those who consider themselves enlightened.

But in the end, it was bound to go against the English grain to insist that sincerity was an ultimate good, when duplicity had always been regarded before as a paramount social skill. The ethic imported from the United States in the 1960s which prized full-frontal honesty above all things was hopelessly alien to the indigenous culture. (I refer to the English, not the Scots.)

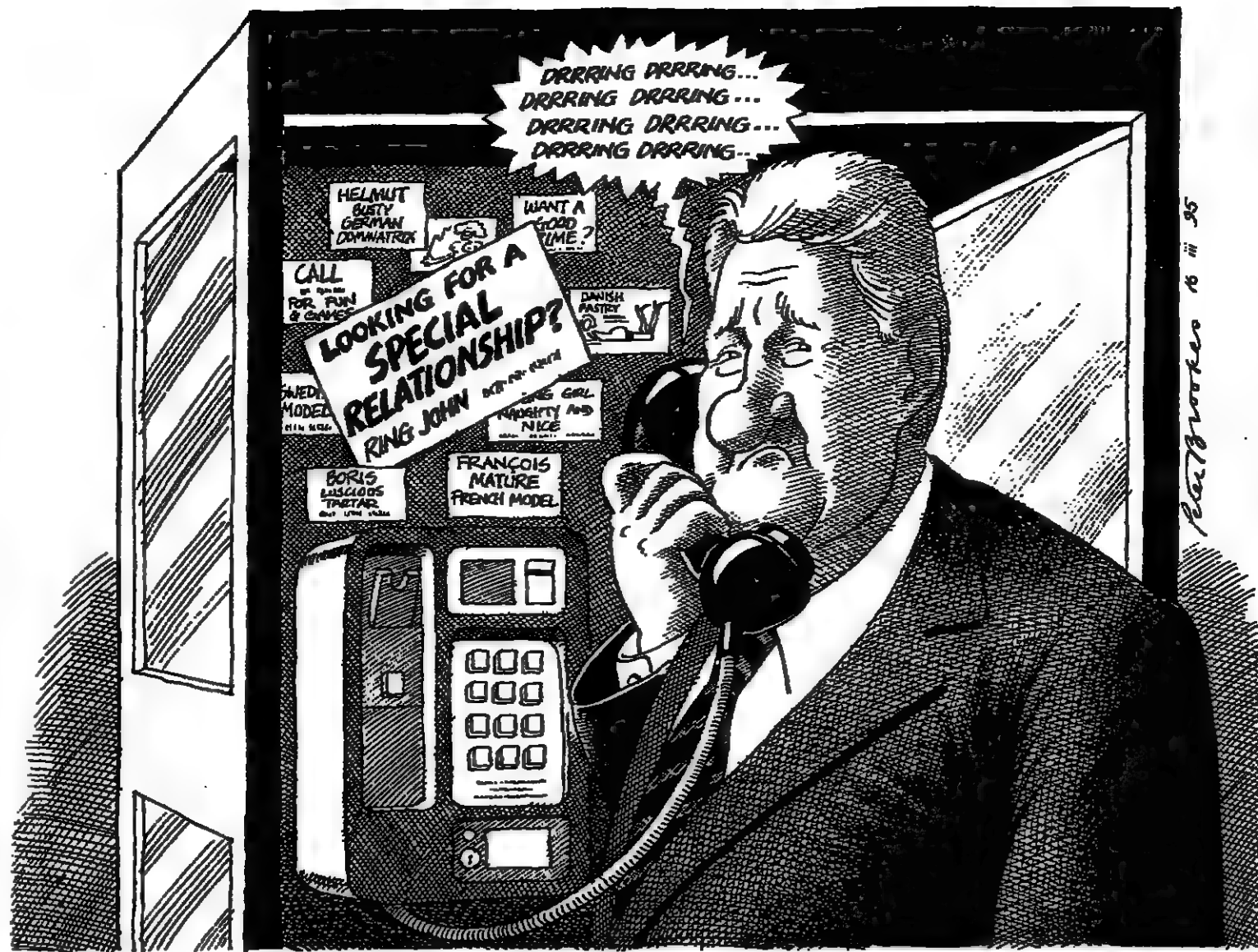
The English prefer to be oblique, ironic, hypocritical

cently even when you feel no affection for them. But it is cruelty that is really being eschewed, or just embarrassment? Or is the taste for hypocrisy just part of a larger cultural preference for what one might call obliqueness?

An abhorrence for saying, or for that matter, for not saying, anything directly helps to explain the English taste for subtlety. This preference for the coded nuance, the cultivated ambiguity which turns every exchange into a cipher, has formed a rich seam for novelists. In few other literary traditions is there so much scope for the unravelling of social perplexity and misapprehension.

And irony — another trait prized greatly by the English — is closely related to hypocrisy. Much English wit rests literally on the idea that it is inherently amusing to state the opposite of what you believe. The joke relies on the acknowledged assumption that you, being the person that you are, could not possibly be thought to believe what you have just said.

So is it all a deliberate attempt to befuddle the socially aspirant? I used to think so. Now I suspect that it is more designed to conceal than to confuse. Hypocrisy and irony are both distancing techniques, intended to throw up false scents and diversions so that the secret self remains inviolate.



Unsafe as Tory houses

Voters are blaming the Government for falling house prices, says Tim Congdon

The most overworked expression in the current political debate is "the feel-good factor". Everyone knows what it means in general terms: a sense of contentment based on material well-being and an accompanying endorsement of the prevailing order, including the government of the day. As is well-known, the problem for the Conservative Party today is that the "feel-good" factor of the mid and late 1980s has been replaced by the "feel-bad" factor of the early and mid 1990s.

Perhaps if the feel-good and feel-bad factors could be measured, the Government might be able to do something about its current unpopularity. If it could gauge the size of the tax cuts in the 1995 Budget (and the 1996 Budget, if it is still in power) necessary to change feel-bad into feel-good, it might significantly improve its electoral chances.

The feel-bad factor can be blamed partly on the increase in the tax burden due to the two Budgets of 1993 and the persisting rather high level of unemployment. But neither of these influences ought to be fundamental. Taxes have gone up sharply since 1992, but they remain lower than in other European countries, while unemployment also is less than the European average.

The dominant reason for the feel-bad factor has instead been the state of the housing market. Sixty-eight per cent of British households own their home, and of these 63 per cent have a mortgage while 37 per cent own their home outright. The value of the housing stock represents no less than 45 per cent of total personal wealth. Because the majority of people are affected, a recession in the housing market spreads gloom among the great British public.

Unhappily for the present Conservative Government, house prices began to fall in late 1989, continued to slide until 1993, and even now remain more than 10 per cent below their peak. There is an obvious contrast between this experience and the relentless rise in house prices between 1981 and 1989. The change from seemingly never-ending house-price inflation to severe house-price deflation has not only caused a severe erosion of personal wealth, but has also disappointed reasonable and widely-held expectations.

The scale of the disappointment is demonstrated in the table. It shows the value of the housing stock at the end of each year since 1979, and

calculates the capital gain each year, using the Nationwide Building Society index. (Note that increase in the value of the housing stock from year to year is larger than the capital gain because of new houses built, purchases of council houses from the public sector and refurbishments.)

Housing stock at year-end (£ billion)	% change in house-price — capital gains and losses (£ billion)
1979	2270.8
1980	2308.8
1981	2384.1
1982	2567.7
1983	2420.5
1984	2467.9
1985	2517.2
1986	2567.9
1987	2625.5
1988	2704.8
1989	2717.2
1990	2711.7
1991	2681.3
1992	2711.6
1993	2711.6
1994	2711.6

The main point is obvious: the marked contrast between large and continuous capital gains before 1990 and persistent capital losses thereafter. Although house prices were roughly stable in 1994, there is still no persuasive sign of renewed house-price inflation. In fact, estate agents say that early 1995 has been a bleak period, partly because of the three 0.5 per cent interest-rate increases since last September. The lack of consumer confidence has constrained retail sales, which, according to figures published yesterday, have been static since last summer.

A highly sophisticated Martian, coming to the British housing market for the first time, might say that the capital gains and losses are irrelevant. All that matters — he would insist — are the houses themselves and the enjoyment they give to the people who live in them. Home-owners ought to understand that they are better off now than they have ever been before, for the real value of the housing stock has continued to rise in the 1990s. Thus the feel-good and feel-bad factors are imaginary.

But that is not how it seems to the millions of households affected by falling house prices. They may have more bedrooms, better quality bathroom fittings, warmer central heat-

ing and more convenient kitchens than ever before. But the plain fact of the matter is that the money value of all these good things is less than the money value of somewhat worse equivalents in the late 1980s. Households' wealth cannot be converted into as many consumable goods as was once the case.

The drop in houses' nominal value has most significance for households with large mortgage debts, because of course such debts are expressed in money terms and are not adjusted downwards in line with house prices. About a million households suffer from "negative equity", with mortgage debts above the value of their homes. But there are a few million more who have equity so low that they cannot realistically consider moving to a larger house.

From the Tory point of view, the plight of these households is a political disaster. Many of them saw home-ownership as a passport to property-owning democracy, the Thatcherite Britain of small-time capitalists. Even better, they thought, was the prospect that their admission to this happy land would be made easier by gratuitous capital gains from never-ending house-price increases.

The supposed benefits of property ownership extended to the endowment policies and personal pension plans which were often sold in conjunction with the houses. The insurance salesmen claimed that these policies and plans would show far more handsome returns than the same amount of money left in a bank account. Over time that may well be true, but the salesmen might have given more warnings about the products' complexity and the difficulty of cashing them in early.

The people who bought houses, insurance policies and personal pensions in the late 1980s have been the prime victims of the housing slump of the 1990s. They might have expected that the Tory Government, which had done so much to persuade them to maximise their mortgage debt and their financial commitment to market capitalism, would find a way to help them. Instead, it has actively penalised them. Large tax increases

had become inevitable by early 1993, because of the previous failure to cut public expenditure and to compensate for the irresponsible tax cuts in 1987 and 1988 Budgets. But it was particularly harsh on Britain's unfortunate homeowners that much of the increase should take the form of a withdrawal of mortgage interest relief. The value of the relief, which was £7.7 billion in the 1990-91 tax year, will be roughly £3 billion in 1995-96.

For the 3.8 million households who bought their first property between 1983 and 1989, the house-price slump since 1990 had already been a financial blow below the belt. The withdrawal of mortgage interest relief then came as a fiscal slap in the face. It was particularly bad news for negative equity households. They cannot escape the increase in their tax burden due to the loss of relief by selling their homes and curbing their mortgages. If they did so, they would crystallise their losses and bankrupt themselves. All they can do is grin, pay the extra tax, struggle to keep up with the mortgage payments — and vote Labour.

Is there anything the Tories can now do to recover support among that vast group of people, the home-owning middle classes, whom they have alienated by the recession, the housing fiasco and their tax policies? One message from the table is that tax cuts alone will not be enough. The largest conceivable tax cut — of, say, £5 billion in the 1995 Budget — is a trifling compared with the capital losses sustained in the housing market since 1990. These losses amount to well over £200 billion.

Ministers will insist that they must not go back to the bad old days of house inflation. They might at least remember that it was their Government which presided over the last house-price boom, apologise for what they did and show a little more understanding of the misery they have caused. The worst possible outcome would be foolishly large tax cuts to bribe to electorate with its own money. These would do nothing to relieve the housing market directly, and might even aggravate the problem indirectly, by wrecking Britain's public finances, alienating the financial markets and leading to another destructive round of interest-rate rises.

Professor Tim Congdon is economic adviser to Gerard & National Holdings plc.

Do we still matter to America?

Stop pandering to the White House, says Peter Riddell

When John Major visits Bill Clinton at the White House early next month, they will shake hands, smile and say how much they agree about the world's problems. Ireland will be mentioned, but it will be behind Bosnia, Russia, the future of Nato and Iraq. The meeting will be highly contrived, and largely false. But the pretence of close friendship and agreement — all that is implied by that overused and misleading phrase "the special relationship" — has become an inescapable part of Britain's public dealings with America.

When something goes wrong, as it has over President Clinton's handling of Gerry Adams's visit to Washington, much of the British press over-reacts with hysterical denunciations of the president. Having spent the first 150 years of America's independence patronising the former colonies, British politicians now crave the affection and respect of Washington. They give a display of hurt feelings if there is any hint of a slight, and then rush to pretend that everything is all right.

Personal relations matter as an oil to diplomacy. But the current cooling has occurred at a time when the interests of America and Britain are diverging, largely because of the end of the Cold War.

Relations between presidents and prime ministers have varied enormously. There is nothing new, either, in differences over Ireland. British attempts to play Greece to the Americans' Rome, as Macmillan put it at his most theatrical, or to cosy up alongside them to influence decisions, as diplomats now say, have been viewed more sceptically in Washington. Even at the height of wartime cooperation, relations between Roosevelt and Churchill were often strained, as their secret correspondence has shown.

Two of the three presidents with the closest knowledge of Britain — Eisenhower and Clinton — have been the most hard-headed. Eisenhower did not let his wartime work prevent him from being tough with Britain at times in the 1950s. The exception was John Kennedy. This was partly thanks to Lord Harlech, the British Ambassador in Washington, who enjoyed better access to the White House than his predecessors or successors. Macmillan and Harlech together persuaded the President in late 1962 to over-rule his advisers and agree to Britain having Polaris missiles, and hence a continued strategic nuclear role. Relations were cooler during the early 1970s, when Heath deliberately cultivated European leaders rather than the US.

The affection between Thatcher and Reagan was reinforced by close working ties between defence and intelligence staffs. Hence, Caspar Weinberger and the Pentagon started providing logistics and intelligence help to Britain during the Falklands conflict, well before the formal White House go-ahead. Mrs Thatcher could ask Reagan for assistance at crucial times. But even during the 1980s there were disagreements: over the American invasion of Grenada, over some of Reagan's arms-control initiatives.

Personal relations remained warm during the Bush years, though James Baker, the powerful Secretary of State, placed more importance on thought Germany more important than Britain. Now relations are cooler. Clinton's team has never forgotten the Tories' help for the Bush campaign in 1992. Admittedly, Sir Robin Renwick, the retiring British Ambassador in Washington, carefully cultivated Tony Blair, now national security adviser. Rod Lyle, Major's foreign affairs private secretary, now talks regularly with Mr Lyle. But ministers regard the White House as unreliable and inconsistent. The old sense of trust has gone. Too often over the past two years, assurances have been given by the White House, only to be broken later, at least in London's view.

Clinton's decision to ignore State Department advice and to side with the Irish-American lobby came not just because he needs to maximise domestic political support for his re-election bid, but because he disagrees with Major over timing, and believes that the IRA/Sinn Féin has done enough to justify his meeting Adams. But the President was able to brush aside the Prime Minister's request because Britain matters less now. The defence links are less central than during the Cold War: there have been disagreements involving not just Britain but all the EU — over Bosnia (though Britain and the Clinton Administration now agree), the future of Nato, American disengagement and the neo-isolationist mood in the new Congress, irritation over alleged American high-handedness in the rescue of Mexico, and various trade disputes.

Personal relations might be warmer with another Administration, but American attitudes towards Britain would shift again under a President Dole or Gramm. British politicians, and press, need to pay as much attention to how Chancellor Kohl and the new French president treat Mr Major as to what the occupant of the White House says. It is time to end the American fixation.

Shock opera

OLD-STAGERS would do well to steer clear of a forthcoming production at the English National Opera in London. The British premiere of *Life with an Idiot* by the Russian composer Alfred Schnittke will have them reaching for the gin at the interval. It is so racy that the ENO has issued its first warning over an opera's content in its eight decades. All promotional material is accompanied by a statement: "The production contains strong language and scenes of physical and sexual violence, which some members of the audience may find offensive."

The opera opens on April Fool's Day, with a plot which would hit top C with Mary Whitehouse. It is billed as *Carry On* meets Kafka meets Dada, and concerns a married couple forced by the state to take in a lunatic as a lodger in punishment for an unspecified crime. The villain of the piece indulges in various excesses, which include seducing first the landlord's wife and then the landlord himself. He absconds after doing away with one of them and leaving the other in a lunatic asylum.

"The opera is very direct in language and in action," says a

spokeswoman. "It is a descent into depravity and madness, so it actually has to be quite explicit. It doesn't pull any punches. It's sexually quite open."

Stuffed poeth

THE DAUGHTER of the Welsh Nationalist leader Dafydd Wigley has come to the aid of love-lorn students struggling to woo young Welsh talent. Eluned Wigley, 20, a



student at the University of Wales in Cardiff, has produced a Welsh phrase book for those of her peers ignorant of the native tongue.

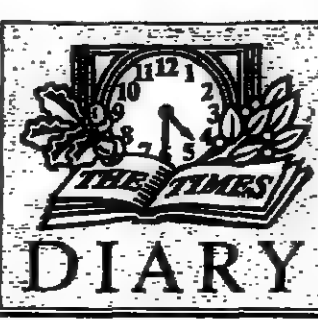
She starts with simple phrases such as "How is it going?", but quickly gets down to the gritty-gritty of student life. Bright young things can now survive a night out on the town starting with "Where's the bar?" and gradually progressing through "What are you doing tonight?" — and more.

Wigley senior is looking forward to reading it. "Even in the more Anglicised parts of the country, the language has its uses."

Nose job

ANARCHY appears to have descended on Malvern College, the Worcestershire public school which produced Jeremy Paxman, after the Undermaster issued a decree stating that the wearing of Comic Relief red noses is "strictly forbidden". The statement incensed staff and pupils alike.

Yesterday the matter reached new heights, when pupils burst into a staff meeting and kidnapped said master under the — er — noses of the head and others. Unbeknown to the staff room, however, the Undermaster and his kidnappers were indulging in an elaborate prank to draw attention to



Comic Relief. Apparently, when the Headmaster contended on, he poured a bucket of water over his Undermaster.

Boot in

PRESIDENT CLINTON may be embarrassing John Major over Ireland, but at least our Prime Minister can claim the edge on Jean-Luc Dehaene. The football-crazy Prime Minister of Belgium looked as sick as a parrot at Stamford Bridge on Tuesday night as his home side, Bruges, went down 2-0 to Major's team, Chelsea, in the European Cup Winners' Cup.

There is little love lost the two football fanatics since Major vetoed Dehaene's appointment as EU President. But by the end of the game, Dehaene's antipathy towards Britain must have been

complete. "He is a long-standing supporter," said a Belgian diplomat also at the match. "Obviously he was very disappointed."

Making music

JILLY COOPER is giving the races a miss this year, even though she lives within a furlong or two of Cheltenham. The horsey novelist says she is purposefully avoiding the festival to concentrate on her latest book, which concerns the extra-curricular behaviour of members of an orchestra.

"I'm writing this book and can only concentrate on one thing at a time," she said at the London launch of *Classic FM* magazine. "The problem is that I always come to parties and just end up getting drunk and enjoying myself."

All in a name

THE MOST arresting sight at the launch of the new Gordon's Gin advertising campaign this week was the towering, shaven-headed Jamaican model who appears on the posters. But her looks weren't as important as her name. She is called Gin.

"I went for the initial interviews, got through those and then, when they were trying to decide who



Gin: adman's tonic

should get the job, they looked down the list and saw my name," she explained.

● The Princess of Wales has knee trouble. She turned up to watch Sylvie Guillem in Swan Lake at the Royal Opera House in Covent Garden on Tuesday night sporting a bandage. "It was underneath her tights on the right knee," commented a star-spotter in the stalls. Buckingham Palace denies an excess of balletic gymnastics.

P.H.S

Frederick William Mulley was the son of a labourer who won a grammar school place to Warwick School. When the Second World War broke out in 1939 he joined the Army, attaining the rank of lance-sergeant before being captured at Dunkirk in 1940. He spent the next five years in



Mulley, who had been a member of the Labour Party since 1936, first tried to enter Parliament in 1945, when he contested the safe Conservative seat of Sutton Coldfield. After his election for the Park division of Sheffield five years later, he served on the Select Committee on Estimates, was a member of a parliamentary delegation which visited Germany in 1951 and during the same year was parliamentary private secretary to the Minister of Works. In 1957 he was a member of a parliamentary delegation to Kenya. He

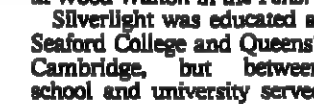
His most controversial action as Education Secretary was to direct the Conservative-controlled Tameside Council in Greater Manchester to go comprehensive. The dispute began in May 1975, when the Conservatives gained control of Tameside Metropolitan District on a promise to retain the area's five grammar schools. They set about implementing a return to selection procedures but were restrained by a directive from Mulley under Section 68 of the 1944 Education Act empowering the Minister to intervene if satisfied that an authority was

As a Minister he was always the target of considerable abuse, of grinning perhaps with the derisive laugh given by the 1964 Labour Government of "a show called Fred" (a gibes based on the number of members of it — Mulley, Willey, Pearl, Lee etc — who bore the particular Christian name). In his last ministerial job as Defence he had to listen to constant grumbling in the ranks about reductions in the military budget. He vigorously denied press allegations of a serious lack of confidence between him and the Chiefs of Staff and countered Conservative charges that his policy bore little relation either to Britain's defence require-

He was the author of a book *The Politics of Western Defence*, first published in 1962. He was also a barrister and an accountant. One of his main interests was adult education and at one time he lectured for the Workers' Educational Association.

He leaves a widow and two daughters.

Silverlight had a general but complex personality that would interest a novelist. He was well-read and knew classical history well enough to



He is survived by his wife Pamela, whom he married in 1949, and by his two sons.

her three sons and two daughters. Her husband died in 1993.

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Formerly the necessary decarbonization of the molten iron was effected by the operation of puddling, which consisted of working the iron about so as to expose every part of it to the air. This method was very slow and laborious and exceedingly trying to the half-naked men who were engaged in it.

In due course the works were finished and in working order. For some time only trifling orders were received, but these grew in number and in size, until one day the Sheffield steel-makers aware to the fact that they were being undersold by some £20 a ton. Forced to the belief that there must alter all that something in the new process, they began to apply for licenses. The firm of Henry Bessemer and Co. prospered exceedingly and became one of the most lucrative businesses that the world has ever seen. During the 14 years for which the partnership existed the profits were at the rate of nearly 600 per cent.

NEWS

US attempts to mend rift

The Clinton Administration has initiated efforts to mend its rift with Britain as it called for an immediate start to the decommissioning of the IRA's weapons arsenal.

Adopting the British Government's line almost word for word, Richard Holbrooke, assistant Secretary of State for European Affairs, said that "non-violent constitutional parties cannot be expected to sit at a table with the political representatives of paramilitary groups who have retained the right to return to violence". Page 1

"Feel-good" factor delayed

Kenneth Clarke, the Chancellor of the Exchequer, gave warning that the "feel-good" factor could be delayed until the next election. He said prosperity would have to rise for another two years at least before people felt more secure. Page 1

Footballers 'innocent'

Bruce Grobbelaar, John Fashanu and Hans Segers, the Premier League players arrested by detectives investigating allegations of match fixing, protested their innocence as they were released on police bail. Page 1

Nursery school boost

Plans for parents to be given vouchers to pay for nursery education received the support of Jonathan Aitken, the Treasury Chief Secretary. Page 2

Pensions hero

A 24-year-old sculptor grandson of a First World War hero has become the unlikely mast of the House of Lords. Page 3

Battle for Paisley

The once thriving Victorian town of Paisley has become the drug centre of the west of Scotland as gun-wielding gangs battle for territorial rights. Page 4

Criminal waste

Millions of pounds of taxpayers' money is being wasted by judges, lawyers and police seeking to apply antique, obscure and impenetrable criminal laws, the Government's law reform body said. Page 5

Vets breaking rules

More than 20 vets have been reported to the Royal College of Veterinary Surgeons for flouting rules against the cosmetic docking of dogs' tails. Page 7

Scientists' heads in the clouds

The misty top of a Lake District fell is being transformed into an exotic experiment as scientists armed with vacuum suction machines and special bottles come to catch clouds. About £1 million has been given to 37 scientists from countries including Austria, Germany and Slovenia to collect clouds on Great Dun Fell, Cumbria. Page 3

Patients struck off

Dentists have removed more than 800,000 patients from their lists because they are too expensive to treat. Page 8

Corruption claim

Jeremy Hanley, the Tory party chairman, was at the centre of another political dispute after claiming that Labour councils were generally corrupt. Page 9

Fish war victory

The European Union declared victory in the fishing war with Canada after the Spanish trawler captured last week was unconditionally released. Page 10

Rushdie supported

The Council of Europe voted unanimously to insist that European governments reject closer trade or political relations with Iran until it lifts the *fatwa* against Salman Rushdie. Page 11

Disobedience plan

Leaders of the 13,000 Jews resident on the occupied Golan Heights were planning a campaign of civil disobedience after the announcement that peace talks are to resume. Page 12

Killings revelations

Revelations by Adolfo Perez Esquivel, the Argentine Nobel peace prize winner, have added weight to new evidence that the country's military dictatorship killed hundreds of torture and kidnap victims. Page 13



The crowd follows the runners at Cheltenham, attended by Queen Elizabeth the Queen Mother yesterday. Pages 36, 37, 40

BUSINESS

Prudential: The Stock Exchange said Michael Newmarch of the Prudential, did not break the rules on directors' dealings but that the company did. Page 21

Power battle: Northern Electric said it was prepared to entertain a further and possibly hostile takeover offer from Trafalgar House in the £1 billion battle. Page 21

British Aerospace: BAE is clearing the way for a merger to create Europe's largest missile business by shedding up to 1,350 workers from its subsidiary. Page 21

Markets: The FT-SE 100 index fell 3.6 points to 3047.0. Sterling's trade-weighted index fell from 85.3 to 85.0 after a rise from \$1.5877 to \$1.5990 but a fall from DM2.2455 to DM2.2247. Page 24

SPORT

Motor racing: The McLaren Formula One team admitted Nigel Mansell may miss the first two grands prix this season while a new chassis is built. Page 40

Racing: Viking Flagship won the Queen Mother Champion Chase at Cheltenham for the second year running, one of three winners for David Nicholson. Pages 36, 37, 40

Rugby union: Ian McGeechan, the former Scotland coach, tells how he devised the strategy to defeat England in 1990 and how he would go about achieving a repeat this year. Page 38

Football: Tonight, in Auxerre, Arsenal will seek to emulate Chelsea in restoring England's reputation in the Cup Winners' Cup. Page 40

ARTS

A little feminism: The new screen version of *Little Women* gives a modern twist to Louisa M. Alcott's classic. Other new films include Gary Oldman as Beethoven in *Immortal Beloved*, and *Priest* — a torrid and topical saga of gay love in the clergy. Page 29

Best of Gianni: The great Italian maestro Carlo Maria Giulini is this month's CD Direct. Four of his finest recordings are available to Times readers at specially reduced prices. Page 31

White at Wembley: Barry White brought his inimitable brand of soul to Wembley Arena. Page 31

Chilly drama: Sharmen Macdonald's new play *The Winter Guest* is a chilling saga of disintegrating relationships. Page 30

FEATURES

Up and under: Joanna Pitman meets Rob Andrew, the chartered surveyor who will be kicking for England on Saturday. Page 14

Clinton's calling: Martin Fletcher on how presidents simply do not fail to get connected to world leaders. Page 14

No meat, please: Every week 2,000 Britons change to a vegetarian diet — but is it good for them? Page 15

Take heart: Patients who complain about "a touch of angina" could have a serious problem. Page 15

BODY AND MIND

Paradise regained: Dubrovnik, Shaw's "paradise on earth" aims to win back Britons. Page 34

Le Shuttle? Large demand for spaces on Le Shuttle could mean big delays. Page 34

TRAVEL

Sage of Chelsea: Peter Ackroyd on a new biography of Thomas Carlyle, the high priest of hero-worship, by Simon Heffer. Page 33

American prophet: Christopher Lasch's *Revolt of the Elites*, a post-humous apology for traditional American values, is reviewed by Colin Welch. Page 32

New Macmillan: Sarah Baxter decodes Lord MacAlpine's letters to a Young Politician and finds "one long poison pen letter to John Major". Page 32

BOOKS

When Britain expressed its displeasure over the Gerry Adams meeting, the White House essentially told the Brits to hump it. Perhaps the end of the Cold War has liberated liberal heads of state into a state of light-headedness. — *The Wall Street Journal*

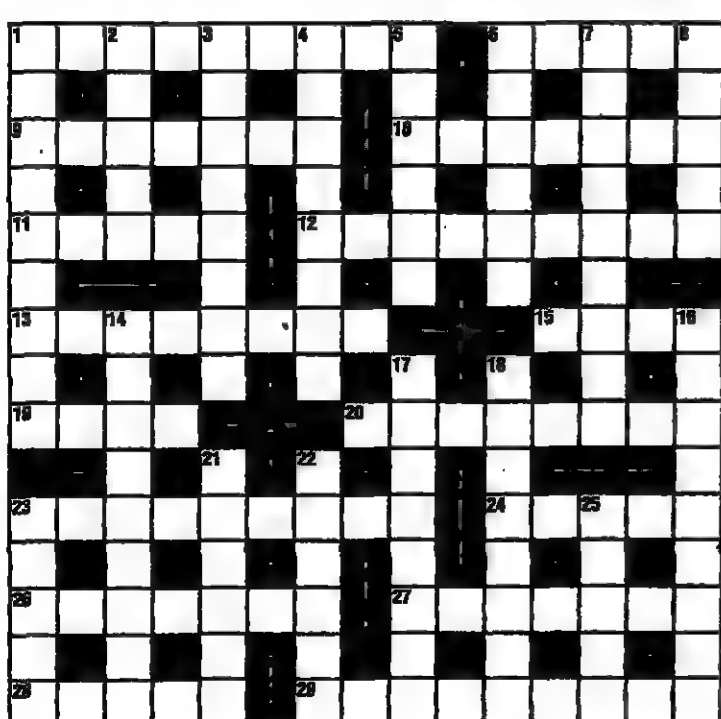
The biggest weakness in American policy towards Iran is its inconsistency. What is needed now is to determine whether the United States is exerting all the pressure it is capable of on a rogue regime. — *Los Angeles Times*

TOP WRITERS IN THE TIMES TOMORROW



Valerie Grove, required reading about those in the news
Bernard Levin: "Just as I was despairing of Canada for ever, I heard a rumbling..."
Lynne Truss on the myths surrounding Jackie Onassis
Caitlin Moran parties with Kirsty MacColl, the Lauren Bacall of pop music

THE TIMES CROSSWORD NO 19,804



- ACROSS**
- Reckless and wicked communist attorney has order reversed (9).
 - Possibly a man's attempt to go without exercise (5).
 - King abandons routine to accept fashionable token (7).
 - It's comparatively large, including the outer suburbs (7).
 - Northern woman with at least one grandchild (5).
 - A random moonquake throws out a scientist's study (9).
 - Supercilious old horseman (8).
 - It is criss-crossed with lights and transmits power for them (4).
 - Teacher may call it a revolution (4).
 - Police informer goes to sleazy bar for a drop (8).
 - A scene not translated into an Asian tongue (9).
 - Encountered books about a clan symbol (5).
- DOWN**
- In which courses are provided on parallel lines (6-3).
 - Upright type managed to secure award (5).
 - Be in lead, perhaps? That's open to contradiction (8).
 - Countryman not finishing filthy drink (8).
 - Envoy, for instance, entering unpunctually (6).
 - Some Celts speak it in sombre tones (6).
 - Musical medley sent to a listener? (7-6).
 - Hat worn for a race in Kentucky? (5).
 - But it may be compulsory for key players (9).
 - Exceptionally attractive thing, to be involved with drama (9).
 - Unsophisticated lacrosse player's joke (8).
 - Race recognized in films (8).
 - It may count a lot to those with hay fever (6).
 - Quest for rector initially installed in main church (6).
 - Supply grub, but not by post (5).
 - Article identifying an obsession (5).

Solution to Puzzle No 19,803

SENNIGHT LAMBDA
CEMYV LOR
HORNPIPE SLOWER
IUVOTOLO
SPEED THREADING
MSEHIINA
KUNDERGMENT
NONRENDENCE
NIGRETTO
AFTERMATH HOUR
EVELID SPORADIC
LANPSRL
VIARROW TYPEFACE

Times Two Crossword, page 40

TIMES WEATHERBULLETIN

For the latest region by region forecast, 24 hours a day, dial 0991 500 followed by the appropriate code:

Greater London	701
Kent, Surrey, Sussex	702
Devon & Cornwall	703
Wiltshire, Gloucestershire, Somerset	704
Bedfordshire, Hertfordshire	705
Northamptonshire, Cambridgeshire	706
West Midlands & Shropshire & Cheshire	707
Shropshire, Lancashire, Yorkshire	708
Central Midlands	709
Lincolnshire & Humberside	710
East Midlands	711
Cheshire & Cumbria	712
North Yorkshire & Durham	713
North East England	714
Cumbria & Lancashire	715
West Yorkshire	716
East Yorkshire	717
North East Scotland	718
Central Scotland	719
South Scotland	720
Wales	721
Wales & Shropshire	722
Wales & Shropshire	723
Wales & Shropshire	724
Wales & Shropshire	725
Wales & Shropshire	726
Wales & Shropshire	727
Wales & Shropshire	728
Wales & Shropshire	729
Wales & Shropshire	730

Weathercall is charged at 30p per minute (cheap rate) and 40p per minute at all other times.

HIGHEST & LOWEST

For the latest AA traffic/roadworks information, 24 hours a day, dial 0330 401 followed by the appropriate code:

London & SE traffic, roadworks	731
East of London, Essex, Suffolk	732
North/Surrey/Sussex/Hants	733
M25 London Orbital only	734
National traffic and roadworks	735
West Country	736
Wales	737
Devon & Cornwall	738
Wiltshire	739
Bedfordshire	740
Northamptonshire	741
Cambridgeshire	742
West Midlands	743
Shropshire	744
North Yorkshire	745

AA Roadwatch is charged at 30p per minute (cheap rate) and 40p per minute at all other times.

FORECAST

England and Wales will have sunny spells and showers, with rain in the north of England. Rain will spread east across all areas during the afternoon and evening. Strong southwesterly winds will make it feel cool in most parts.

Scotland and Northern Ireland will be cloudy with rain or snow, but eastern Scotland will be dry at first. Sunny spells and wintry showers will follow from the west. Strong to gale force southwesterly winds will make it feel cold in most places.

London, Central S, Central N, S, E, England, E, Anglia, E, W Midlands: sunny spells and showers. Rain this evening. Wind fresh to strong southwesterly. Max 9C (48F).

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AROUND BRITAIN

Area	Sun	Cloud	Drizzle	Storm	Thunder	Light	Heavy	Max	Min
London	10	10	10	10	10	10	10	10	10
London	10	10	10	10	10	10	10	10	10
London	10	10	10	10	10	10	10	10	10
London	10	10	10	10	10	10	10	10	10
London	10	10	10	10	10	10	10	10	10
London	10	10	10	10	10	10	10	10	10
London	10	10	10	10	10	10	10	10	10
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London	10	10	10	10	10	10	10	10	10
London	10	10	10	10	10	10	10	10	10

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London	10	10	10	10	10	10	10	10	10
London	10	10	10	10	10	10	10	10	10
London	10	10	10	10	10	10	10	10	10
London	10	10	10	10	10	10	10	10	10
London	10	10	10	10	10	10	10	10	10

Times Two Crossword, page 40



BUSINESS

North

TRAFALGAR'S BATTLE



ANATOLE KALETSKY 25
The economy prepares for a soft landing



BOOKS 32, 33
Middle America: a betrayal by its elites



SPORT 35-40
Mansell forces McLaren back to drawing board

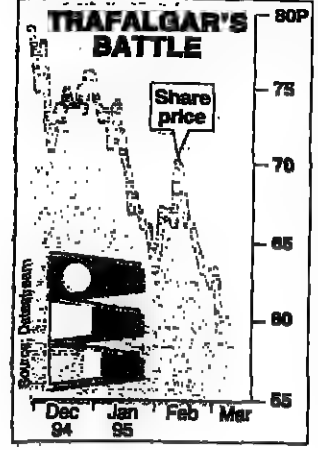
GEOFF BROWN FALLS FOR LITTLE WOMEN
Cinema, page 29

THE TIMES

BUSINESS EDITOR Lindsay Cook THURSDAY MARCH 16 1995

Northern directors willing to entertain new bid

Clash over timing of fresh Trafalgar offer



THE saga of the £1 billion assault on Northern Electric by Trafalgar House, the shipping to construction conglomerate, took yet another turn yesterday when Northern said that it was prepared to entertain a further takeover offer.

The earlier Trafalgar bid, worth £1.2 billion, lapsed on Friday, a victim of the announcement by Professor Stephen Littlechild, the electricity regulator, last week that he was considering reviewing the framework governing prices in the industry. His announcement led to huge falls in share prices in the sector.

Trafalgar's bid, of £1.1 cash lapsed, and the group immediately tried to rebid at 950p. That lower offer was

rebuffed by Northern, and, under City takeover rules, therefore failed.

However, Northern, after indications that a majority of its shareholders wanted the chance to consider Trafalgar's offer, said yesterday that directors had told the Takeover Panel, the City watchdog on bids, that it would agree to a new offer "after the present uncertainty has been removed by the resolution of the regulatory position currently under review".

In an about-turn, Northern also said that such an offer could go ahead whether or not its board was prepared

to recommend acceptance. Under the Byzantine rules governing City takeovers, such an offer, at a lower price, would not normally be allowed without the full support of a target company's directors.

Predictably, both parties were immediately at loggerheads over the implications of the latest twist in the tale. Northern was insisting that the regulator, if he decides on a full industry review, would have to reach agreement with the industry about a new regulatory framework before the uncertainty had lifted sufficiently for

a new bid to be made, a process that would take months to complete.

Northern, which provides electricity to north-east England and is the first of the regulated utilities to attract a takeover bid, has said that "substantial uncertainty" over what the regulatory position would eventually make it impossible for the board to decide on the virtues of any bid.

However, Trafalgar, which wants Northern both for its strong cash flow and because the deal offers tax advantages, said that a fresh offer could come as soon as next week.

Professor Littlechild has said that he will decide a week tomorrow whether to conduct a review. This, says Trafalgar, would sufficiently reduce uncertainties surrounding the industry to allow it to return.

Northern's shares, which had risen sharply on Tuesday on hopes of a new bid, added another 32p to 821p yesterday on the news.

One of the few things that the two sides can agree on is that the present situation amounts to "exceptional circumstances". City lawyers say that the saga has run so far ahead of precedents that its outcome is probably impossible to guess.

Pennington, page 23

BUSINESS TODAY

FT-SE 100	3047.0	(-3.0)
Yield	4.4%	
FT-SE A All share	1486.24	(+0.22)
Nikkei	16866.53	(+421.01)
New York		
Dow Jones	4039.41	(-9.34)
S&P Composite	491.75	(-1.14)
Federal Funds	6 1/8%	(7.5%)
Long Bond	102 1/8%	(103%)
Yield	7.39%	(7.39%)
3-mth Interbank	6 1/8%	(6 1/8%)
Life long gilt	102 1/8%	(102 1/8%)
Future (Mar)	102 1/8%	(102 1/8%)
STERLING		
New York	1.6018*	(1.5945)
London	1.5938	(1.5938)
DM	2.2207	(2.2416)
FF	1.6359	(1.6460)
SP	1.6358	(1.6622)
Yen	143.13	(144.21)
S Index	95.0	(95.8)
US\$	1.5918	(1.5918)
London	1.5938	(1.6137)
DM	1.5910	(1.6146)
SP	1.1485*	(1.1750)
Yen	98.38*	(99.80)
S Index	95.0	(97.7)
Tokyo close	95.00	
NORTH SEA OIL		
Brent 16-day (May)	\$16.55	(\$16.45)
GOLD		
London close	\$396.85	(\$395.05)
* denotes midday trading price		

The Pru guilty of SE rule breach

By ROBERT MILLER

THE Prudential, Britain's largest insurer with assets of £75 billion, was yesterday found guilty of breaching Stock Exchange rules.

But Mick Newmarch, its former chief executive who resigned after the exchange launched an investigation into a controversial share option deal, was cleared of trading while in possession of price-sensitive information.

Mr Newmarch left his post in January, saying his relationship with regulators had broken down and that the exchange was studying his dealings in the company's shares.

The share deal involved Mr Newmarch exercising an option in Prudential shares on October 25, hours before it expired and hours before a critical report into personal pensions mis-selling was published by the Securities and Investments Board (SIB), the

his share option. Treasury officials gave evidence and attended a final meeting with the exchange's quotation committee on Monday. They offered written minutes of the Treasury meeting with Prudential officials but the exchange rejected this offer.

The exchange said yesterday that Mr Newmarch had not breached its model code which says "a director must not deal in any securities of the listed company at any time when he is in possession of unpublished price-sensitive information to those securities, or otherwise where clearance to deal is not given." In this case, Sir Brian gave his approval.

But the exchange inquiry did find that the Prudential was guilty of breaching its listing rule 16.18. This says that a company must take all "proper and reasonable steps to secure compliance" with the directors' dealing code.

Mick Newmarch, as chief executive of the mighty Prudential, was the biggest and prickliest thorn in the side of the City's regulatory establishment. Here was a man who could spot a naked emperor at 500 paces and would not keep it to himself.

Pennington, page 23

chief City regulator. Mr Newmarch sold 208,750 shares for a profit of £203,000.

Just days before the SIB published its report, Mr Newmarch and Sir Brian Corby, chairman of the Prudential who approved his chief executive's share deal, met Kenneth Clarke, the Chancellor, and Anthony Nelson, the Economic Secretary to the Treasury.

At the meeting, the SIB report and its damning implications for the pensions industry were discussed in some detail. It is this information that was regarded as being potentially share-price sensitive and which led to the exchange's five-month inquiry.

The Treasury was subsequently asked by the exchange to provide any evidence that could shed light on Mr Newmarch's knowledge of the SIB report at the time he exercised

The exchange added: "The committee was critical of the way in which Mr Newmarch and the Prudential approached their consideration of the dealings and the information available. It has made these concerns known to Mr Newmarch and the company."

Sir Brian said the exchange statement "still leaves something in the air. Mr Newmarch was being accused of dealing while in possession of price sensitive information and I was accused of permitting the deal to go ahead in those circumstances. The Stock Exchange seems to be saying that we got the correct answer but didn't go about it in the right way."

Alistair Darling, Labour's City affairs spokesman, has written to Michael Lawrence, Chief Executive of the Stock Exchange, calling for a full explanation of how the Pru breached the rules and Mr Newmarch did not. He accused the exchange of issuing half a statement and said this would fuel further speculation as to what went wrong.

In the next few weeks, Lauro, the outgoing regulator for life companies, is to discuss an informal investigation it carried out last year into the pension selling practices of Prudential sales staff.



Well-heeled: Strong growth in British retailing helped John Church, chairman of Church & Co, the quality shoe company, announce a 30 per cent rise in underlying profits. But a £568,000 property writedown cut pre-tax growth with profits up 12 per cent at £3.6 million. A final 10.75p (10p) dividend makes a total payout of 13.75p (13p).

Peter Baring sidelined

By ROBERT MILLER

PETER BARING, the chairman of Barings at the time the 233-year-old bank collapsed, has been sidelined by International Nederlanden Groep (ING), the new Dutch owners.

Mr Baring has not been given any key executive role in spite of his extensive knowledge of how the Barings group of companies works. His only role is that of adviser on matters affecting the Barings business collectively and to provide liaison between the businesses. Mr Baring

offered his resignation at the time of the ING takeover, but this was rejected by Aad Jacobs, the chairman of ING. Last week Mr Jacobs said that Mr Baring would remain until after the Bank of England's inquiry into the Barings collapse was completed. He added: "If it finds he has done something wrong we will take appropriate action, but I hope it does not."

ING's new structure puts its own senior personnel firmly in the driving seat of Barings

in a series of management committees and under the overall direction of Hessel Lindenbergh, the new Barings chairman. An ING spokesman said last night: "This is a temporary structure under the Bank of England report is completed. We now have key ING managers firmly in charge of the key areas of risk management, control and compliance. Changes could be made after the Bank's report."

US enthralled, page 22

Slack consumer spending eases fears of rate rises

By JANET BUSH, ECONOMICS CORRESPONDENT

THE argument for another interest rate rise weakened yesterday as a clutch of economic figures showed a combination of slack consumer demand and a slight easing in already low wage pressures.

On the surface, the performance of retail sales in February looked strong with volumes bouncing by 1.2 per cent. However, this was offset by a revision to January's fall in sales - originally put at 0.9 per cent - to 1.2 per cent, according to the Central Statistical Office.

Over the past three months, sales have risen only a marginal 0.1 per cent, compared with the previous three, and volumes have shown virtually no growth over the past eight months. Richard Jeffrey, chief economist of the Chartered Institute of Management, said: "Consumer spending has now stagnated and more tax increases are yet to come. There is no argument for further interest rate rises here."

Another argument against tighter money came from average earnings figures for January. Growth edged lower to 3.5 per cent overall, from 3.75 per cent over the past several months. The slight fall

in overall earnings was not contained in January's figures, but was due to a downward revision to services earnings in December, because City bonuses were much lower than in 1994.

In spite of this, there was relief in the City and in the Treasury that earnings growth is either slightly lower or stable. The Treasury noted that there had been no take-off in wages in spite of strong economic growth last year and 13 months of falling unemployment. Seasonally adjusted unemployment fell 27,400 in February, the second month running when there was a relatively small decline.

James May, director-general of the British Retail Consortium, said after the retail sales figures that consumer confidence remains at a low level because people are concerned about further rate rises.

Barclays Bank reports today that its mortgage lending remained sluggish in February, with a 4 per cent drop in lending, compared with January, and a 7 per cent decline since February last year.

Fewer jobs, page 22
Economic View, page 25

Paper cuts

Read Elsevier, the Anglo-Dutch publisher, expects to be able to absorb most of the forecast rises in paper prices by cost-cutting. It will seek opportunities to use smaller paper, to reduce wastage, to use lower-grade paper where possible and to improve the efficiency of its printing.

Page 22, Tempus 24

Bearing up

George Mallinckrodt, the chairman of Schroders, yesterday called for closer liaison between the world's stock exchanges and derivatives markets in the wake of Barings. Page 23

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CORBY Nobody does it better

BAe clears way to set up missile venture

By ROSS TIEMAN INDUSTRIAL CORRESPONDENT

BRITISH AEROSPACE is clearing the way for a merger to create Europe's largest missile business by shedding up to 1,350 workers from Dynamics, its subsidiary.

The job cuts will position BAE to form a 50/50 venture to design, develop and build missiles with Lagardere Groupe, of France.

Agreement on merger terms for the new company, Matra BAE Dynamics

could be reached within a fortnight. With combined sales of about £900 million, and 6,100 workers at six main sites in Britain and France. Matra is expected to form the nucleus of a new European missile group, with other partners, possibly including GEC, being invited to join later.

By funding rationalisation of the Dynamics business from provisions made in its accounts for the year to December 31, BAE is effectively streamlining it for the merger. However, because of the greater workload

and order book at Matra, BAE is expected to have to make a cash payment of up to £100 million to Matra to secure an equal share of the joint company. Matra has 3,000 workers at three sites near Paris, and annual sales of some £500 million.

The measures announced yesterday are designed to bring capacity at BAE Dynamics in line with demand. Some 675 people will be shed from the workforce of 3,830 this year. A similar number will go in 1996, unless additional orders for existing prod-

ucts, or work on key new programmes, are won.

The latest cutbacks are caused by the imminent completion of work on a ten-year, £1.9 billion contract to supply the Raptor 2000 air-defence missile system, and the end of development work on the new advanced short-range, air-to-air missile (ASRAAM).

Shareholders of Lockheed, meeting in Chicago, yesterday approved plans to merge with Martin Marietta, creating Lockheed Martin, the world's biggest defence company.

Chairman of Vimto to retire

JN Nichols (Vimto), the soft drinks group, announced the retirement of Geoffrey Adkin, its chairman, as it unveiled a 5 per cent increase in profits last year. He will be succeeded by Arthur Booth, a non-executive director.

Pre-tax profits rose to £9.1 million from £8.6 million in the year to December 31, despite a 14 per cent jump in turnover to £56.3 million. The final dividend is lifted to 3.9p (3.6p) bringing the total to 6.15p (5.76p).

Joint venture

Gestetner Holdings and Inchcape are to merge their Asia Pacific office automation businesses in a 50/50 joint venture, with annual sales of £200 million and more than 3,000 staff in 21 business units in nine countries. The venture, Inchcape NRG, is expected to be operational by June 1.

CPG in red

Exceptional charges of £4.03 million pushed Computer People Group into the red at the full-year stage. CPG made a pre-tax loss of £391,000 in the year to December 31 (£1.1 million). The final dividend is raised to 2p (1.5p), making a 3p total (1.5p).

Baynes boost

Acquisitions and organic growth helped to boost pre-tax profit at Charles Baynes, the engineering and distribution group, by 54.9 per cent to £12.7 million in the year to December 31. The final dividend is 1.3p (1.075p), lifting the total to 2p (1.65p).

News chief

August Fischer has resigned as chief executive of News International, owner of The Times. He is replaced by William O'Neill. Rupert Murdoch, chairman of The News Corporation, the parent company, said: "We are all very grateful for the tremendous contribution Gus Fischer has made to the progress of our newspapers and I particularly appreciate his dedication to the whole company." Mr Fischer, who joined News International in 1989, was also chief operating officer of News Corp. Mr O'Neill has worked for News Corp for 36 years, having joined as a shop floor apprentice compositor on the Sydney Daily Mirror. He has held a number of senior executive positions in Australia, America and Britain.

Nicholas W. Leeson enthrals Big Apple

FROM JON ASHWORTH
IN NEW YORK

NEITHER the floods in California nor the tribulations of QJ Simpson have been able to stifle Wall Street's fascination with the Barings affair. Bankers who had not even heard of Barings three weeks ago are hungry for the latest on Nicholas W. Leeson, but few anticipate lasting damage to the City of London's reputation.

The trader from Watford takes his place alongside Joseph P. Moynihan and Michael Milken in the local hall of fame. Not even rumours of blood-letting at PaineWebber nor the woes of Bankers Trust have been able to knock Mr

Leeson from his pedestal. The Big Apple has taken the affair to heart. There is a fascination with the idea that one man can topple a bank, however misplaced the notion may turn out to be.

"It had a very big impact here, front-page stuff," says Arjun Mathrani, chief financial officer at Chase Manhattan Bank. "How one man could bring down an institution — an old, established, historic house. It has also swung the spotlight on derivatives."

David Reid, resident partner at Allen & Overy, says the collapse has brought several issues into focus. "It was definitely a big issue here, not simply because of the exposure by

American banks to Barings. It underlines the increasing problems facing firms given the increased reliance on proprietary trading," Mr Reid says. The debacle has raised questions locally about the effectiveness of self-policing, in which regulators trust banks to set up effective risk control systems.

Small wonder that Wall Street is edgy. Chemical Bank is facing a loss of \$70 million because of a currency trader's exposure to the Mexican peso. Mr Jett's forward sales of government bonds at Kidder, Peabody remain a heavy topic of conversation. PaineWebber, which bought Kidder last year, is rumoured to be preparing

to dismiss up to 500 traders. Shares in Bankers Trust have plunged on fears about its derivative business and exposures in Latin America.

Americans see the Barings collapse as an isolated incident that will have little impact long term on the City's standing as a financial hub. Nevertheless, there was predictable fire for the UK delegation in town to brief bankers on the City Research Project into London's competitive standing. Stanislas Yassukovich, the team leader, said regulation would never be able to keep pace completely with rapid changes in the markets. He arrives in Tokyo today on the second leg of his global roadshow.

Portillo says jobless total is falling by 1,000 a day

BY PHILIP BASSETT, INDUSTRIAL EDITOR

THE Government claimed yesterday that unemployment is falling by 1,000 a day as it announced a further drop in the number of people out of work and claiming benefit.

New figures also suggested a continuing rise in employment, although the job growth accompanied an extensive revision to the employment statistics as Whitehall officials tried to bring two official job measures into line.

Announcing a 27,400 drop in unemployment for February, Michael Portillo, the Employment Secretary, said that with monthly unemployment falls averaging 30,000, the number of people out of work was declining at the rate of 1,000 a day.

But Labour and trade union leaders said that the latest fall in unemployment, though welcome, suggested that any recovery in the labour market was slowing down.

Harriet Harman, Shadow Employment Secretary, accused Mr Portillo of complacency about employment, claiming that the jobs that had disappeared in the recession were not being replaced. John Monks, TUC General Secretary, said the below-average fall in the unemployment claimant count was disappointing.

Seasonally adjusted unemployment fell to 2.36 million in February, the 13th consecutive monthly drop. Unemployment is at its lowest level since June 1991, and the unemployment rate of 8.4 per cent is the

lowest since July of the same year.

Whitehall officials believe the fall is likely to continue at a rate of about 30,000 per month. February's was lower than the average changes over the last three, six and 12 months. Unadjusted unemployment fell 44,513 to 2,458,940.

Adjusted unemployment is down by 388,200 since last year, but new employment figures showed an annual growth in jobs of 173,000 in the same period.

The workforce in employment rose 115,000 in the three months to the end of December to 25.6 million, while manufacturing employment rose 8,000 in January to 4.275 million.

Whitehall officials said the workforce in employment series had been substantially revised to take greater account of employment figures in the separate Labour Force Survey. Government statisticians have been trying to bring the two measures more closely into line after the LFS showed a growth in jobs when the workforce series had been showing a fall.

While increases in average earnings eased back a quarter of a point to 3.5 per cent, unit wage costs rose 0.6 per cent to their highest level since May last year. At the same time, productivity increases showed clear signs of slowing, with a 4.6 per cent rise, the lowest since January last year.

Jobs count down, page 25



No pipedream: Sir George Russell reported a turnaround from £2 million losses last year

Marley surges to £58.7m

BY SARAH BAGNALL

MARLEY, the building products group, has lifted the final dividend to 2.6p a share from 2.1p, the first rise in seven years, after returning to a profit of £58.7 million in 1994

from losses of £2 million previously.

Sir George Russell, chairman, said the year had been one of "considerable progress". Stripping out a £4.5 million profit on a land sale and a £6.5 million profit on the

disposal of the French clay roof tile business, profits rose 61 per cent to £47.8 million. The final dividend, due June 5, makes a total of 4.7p (4.2p). EPS were 11.4p, up from 6.6p.

Tempus, page 24

Strong mark halts talk of rate cut

THE mark resumed its upwards march yesterday with dealers no longer talking about a cut in German rates at the Bundesbank's meeting today, and the dollar's brief attempt to rally was rudely put to an end as more Mexican worries surfaced (Janet Bush writes).

Sterling lost two pennings against the resurgent mark, but gained about one cent against the troubled dollar. The pound briefly bounced after apparently strong retail sales figures, but soon slumped back as a closer look by analysts suggested consumer weakness.

The US currency was quoted at DM1.905 in late European trading, down more than two pennings from Tuesday's close. The damaging strategic link of the dollar and the peso came into play again as the rate on Treasury bills at a Mexican auction jumped as high as 92.5 per cent and the peso slumped again.

Paper prices spur Reed cost-cutting

BY MARTIN WALLER

REED ELSEVIER, the Anglo-Dutch publisher, expects to be able to absorb most of the forecast rises in paper prices in 1995, of 15 to 20 per cent, by cost-cutting and other efficiency initiatives.

Reed says that it will seek opportunities to use smaller paper, to reduce wastage, to use lower-grade paper where possible and to improve the efficiency of its printing operations. This efficiency drive will mean the loss of "less than 100" jobs.

Paper costs, which are 6 or 7 per cent of Reed's total costs, have been rising strongly across the publishing market. Publishing is also experiencing increasing print cost pressures, although Reed believes that these can be resisted.

The company added: "The economic environments in our three main operating territories are expected to improve in 1995. We are confident of our ability to take full advantage

of this and to continue our strong profit growth."

Reed was announcing pre-tax profits for the year to December 31 of £620 million, up from £534 million. The figure included a £40 million profit from the group's sale of its interest in BSkyB, the satellite television station floated at the end of last year, almost balanced by losses of £26 million on the disposal and surrender of property interests.

Operating profits were up by 19 per cent to £663 million, while the rate of organic profit growth was 12 per cent, excluding acquisitions and currency movements.

Earnings per share grew by 19 per cent, to 42.6p, for shareholders in the British Reed International parent. They receive a 14.8p final dividend, making a total up 15 per cent to 21.5p. Reed shares responded with a 26p rise, to 74.5p.

Tempus, page 24

BUSINESS ROUNDUP

English China Clays advances by 22%

RECOVERY in the paper industry is improving the fortunes of English China Clays, the specialty minerals and chemicals group. The company, which generates two thirds of its business from sales of specialty minerals to paper manufacturers, increased operating profits before discontinued businesses by 22 per cent to £109.6 million in the year to December 31 as volumes and prices increased in Europe.

ECC's financial results last year were complicated by the acquisition of EZE Products, the specialty chemicals business and the demerger of CAMAS, the construction materials group. EZE was acquired at the end of last year for \$45 million, and ECC has charged £4.7 million to profits for rationalising and integrating EZE and Calgon, acquired in 1993. Andrew Teare, chief executive, predicts that ECC will benefit from the rising demand for paper, a price increase of 3 per cent has been pushed through, and ECC has reduced costs with a reduction in the headcount of 500 last year. The dividend of 16.25p, forecast on the demerger of CAMAS is covered by maintained earnings of 20p. Tempus, page 24

Allied-Domecq warning

ALLIED-DOMEcq, the spirits and pub group, has warned shareholders that although Christmas trading was up with expectations, the heavy disposal programme over recent months will mean some short-term dilution in earnings before the money raised can be reinvested in core businesses. Allied said yesterday, in a regular trading update, that the second interim dividend to be announced this spring, following a change in the company's year-end, would be paid as a foreign income dividend. Tempus, page 24

Saatchi & Saatchi sued

BILL MUIRHEAD, former head of Saatchi & Saatchi's US operations and one of the so-called "three amigos" who quit in January in the wake of Maurice Saatchi's abrupt departure, is suing his former employer for libel. His writ, served on the company on the eve of today's extraordinary meeting of Saatchi shareholders, is the latest in a complex web of litigation between the advertising combine and departed executives. Saatchi itself is already suing Mr Muirhead in the US.

Good start for Heywood

HEYWOOD WILLIAMS, the international building products and automotive components group, said demand in America, now its principal market, had started strongly in the current year after reaching record levels in 1994. The company reported profits of £33.1 million for the year, compared with £35.2 million in 1993 when there was an exceptional surplus of £15 million on disposals. Operating profits rose to £33.1 million from £19.7 million. There is a final dividend of 8.8p a share, making 13.6p (13p). Earnings were 20.1p a share (30.6p).

French bank inquiry

A JUDICIAL inquiry has begun into alleged wrongdoing at state-owned bank Credit Lyonnais. Edmond Alphandery, the French Economics Minister, said. The controversial rescue plan for the bank is due to be published tomorrow. "There has been embezzlement... this has to be pursued by legal means. The public prosecutor has already opened a number of inquiries relating to Credit Lyonnais," he said. On Tuesday M Alphandery said there was a hole in the bank's accounts of about £50 billion.

Slump at Swiss Bank

SWISS BANK CORPORATION, the blue-chip Basle institution that engaged in controversial deals in stock options and stake-building to support Trafalgar's hostile bid for Northern Electric, saw group net profit slump 41 per cent to \$11 million Swiss francs (£435 million) last year, mainly reflecting the sharp decline in trading income. The bank forecast an improved profit this year and left its dividend unchanged. Like its main Swiss rivals, it was hit by falling bond prices after interest rates started to rise early last year.

Holliday confident

HOLLIDAY Chemical Holdings is confident of further progress in the current year after organic and acquisition growth helped the industrial dye and specialist chemicals group to a 47 per cent advance in full-year profits. Pre-tax profits rose to £19.3 million in the year to December 31 (£13.1 million). Turnover, boosted by acquisition, expanded by 26 per cent to £132.9 million. The final dividend, payable on May 8, is raised to 3p (2.4p), lifting the total dividend for the year by 25 per cent to 5p (4p), from earnings ahead 23 per cent to 14p (11.4p) a share.

Qantas leaps to £95m

QANTAS, the Australian national airline in which British Airways has a 25 per cent stake, prepared for privatisation later this year with a 47 per cent surge in half-year pre-tax profits to a record \$302.9 million (£95.3 million). Much of the improvement came from its domestic operation, where passenger revenue rose nearly 24 per cent in the six months to December 1994. International passenger revenue rose 7.4 per cent and the route between London and Sydney moved into profit for the first time in ten years.

Wyth boosts Premier

RECORD oil production from Wyth Farm helped to raise pre-tax profits from £13.3 million to £14.1 million at Premier Consolidated Oilfields in spite of a 9 per cent drop in average oil prices in 1994. Premier, which last month completed the takeover of Pict Petroleum, increased production in 1994 by 17 per cent to 14,183 barrels of oil equivalent per day, mainly due to a 28 per cent boost from Wyth Farm. The company predicts that production will grow a further 75 per cent this year and is forecasting a dividend for calendar 1995.

Last-minute WTO plea

DEADLOCK between America and the European Union over who is to become the first full-time head of the World Trade Organisation (WTO) prompted trade envoys to make a last-minute request yesterday to Peter Sutherland, the interim Director-General to stay on for six weeks. Mr Sutherland, scheduled to step down yesterday after acting as caretaker head of the WTO since it came into being in January, warned the Clinton Administration last week failure to fill the post threatened to undermine its credibility.

TOURIST RATES

	Bank Buy	Bank Sell
Australia \$	2.23	2.08
Austria Sch	16.80	15.30
Belgium Fr	4.30	45.00
Canada \$	2.34	2.18
Cyprus Cyp£	0.758	0.700
Denmark Kr	6.80	6.80
Finland Mk	7.52	6.97
France Fr	6.40	7.75
Germany DM	2.40	5.18
Greece Dr	361.00	366.00
Hong Kong \$	12.91	11.91
Ireland P	1.08	0.98
Italy Lit	8.222	4.722
Japan Yen	277.00	262.00
Malta	0.602	0.547
Netherlands Gld	52.00	54.40
Norway Kr	10.28	9.78
Portugal Esc	247.50	269.00
S Africa Rd	2.00	1.82
Spain Pta	211.00	198.00
Sweden Kr	12.08	11.28
Switzerland Fr	2.00	1.82
Turkey Lira	ref	641.00

Rates for small denomination bank notes only as supplied by Barclay Bank plc. Different rates apply to travellers' cheques. Rates as at close of trading yesterday.

NOTICE OF MEETING

Clerical Medical INVESTMENT GROUP

Annual General Meeting

Notice is given that the 171st Annual General Meeting of the Clerical, Medical and General Life Assurance Society, will be held at 15 St James's Square, London SW1Y 4LQ on Wednesday, 19 April 1995 at 3.30pm for the following purposes:

- To receive the Directors' Report and the Audited Accounts for the year ended 31 December 1994.
- To receive a Report on the actuarial valuation of the Society's liabilities as at 31 December 1994, made for the purpose of a distribution of profit.
- To re-elect Directors and to fix their remuneration.
- To re-appoint the Auditors and to authorise the Directors to fix their remuneration.
- To transact any other ordinary business of an Annual General Meeting.

Any member entitled to attend and vote at the Meeting may appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Society.

Any instrument appointing a proxy must be deposited at the undermentioned address not less than 48 hours before the time fixed for the Meeting.

By order of the Board,
S A M Fogarty
Secretary

15 St James's Square
London SW1Y 4LQ
15 March 1995

Issued by Clerical, Medical and General Life Assurance Society
Registered by the Personal Investment Authority and IMAO

Grundy says G'day to Wall Street

BY SUSAN GILCHRIST

THE Australian soap opera, *Neighbours*, that launched the careers of Kylie Minogue, Jason Donovan, Kimberley Davies and Bouncer the dog, is set to attract a whole new audience on the New York stock exchange.

Grundy Worldwide, the Australian television production group that makes the long-running soap, yesterday unveiled its most dramatic script yet with the news that it plans to float on the New York and Australian stock exchanges. It hopes to raise up to US\$106.3 million.

The company will initially offer 5.32 million shares at an estimated offer price of between \$18.0 and \$20.0 a share.

Reg Grundy, the founder, will retain a majority stake.

About 2.66 million shares of common stock will be offered initially in the US and Canada, 1.33 million in Australia, New Zealand and Asian countries, excluding Japan, and 1.33 million shares elsewhere outside North America and the Asia Pacific.

Mr Grundy founded the company in 1958. Its programmes, which include game shows as well as soap operas, can now be seen in countries as diverse as New Zealand, the UK, Sweden, Italy and Chile. Expansion into South Africa, Eastern Europe and Asia is planned. The company made a net

profit of US\$15.8 million on sales of \$79.6 million for the year to June 30. Although of Australian origin, *Neighbours* has become almost a British institution. At its peak, it attracted 18 million viewers and rivalled the royal family in terms of popularity and tabloid headlines.

Many of its early participants went on to enjoy pop stardom, but few furthered their acting careers. The programme has even been the subject of a university doctorate. Michael Stewart, its author, claimed its appeal lay in the feeling of ironic superiority it gave viewers. Mr Grundy, now counting his millions, must know the feeling.



Kimberley Davies: *Neighbours* star

THE TIMES

BUSINESS TO BUSINESS

APPEARS EVERY TUESDAY

TELEPHONE

071 481 3024 or
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□ Haste will not serve electricity investors □ End of the road for a regulator □ Tweedie's tax carrot

Power vacuum

□ THE time has come to decide whether the City Code on Takeovers and Mergers is a binding set of rules whose application can be relied on in all cases or an optional extra to be negotiated away at will.

Given that Northern Electric's board has made clear it is unwilling or unable to countenance a further bid, investor pressure for it to do so looks like clear greed. These are, after all, the same institutions who have proven in the past quite incapable of mounting a similar concerted effort to counter some of the more flagrant examples of corporate misgovernance.

The whole tangled situation can end in a number of ways. Professor Littlechild can throw up his hands in horror, declare the past week a hideous mistake and walk away from reviewing prices, or the industry can avoid such a review by agreeing the sort of "quick fix" so derided by this column yesterday. In either case Trafalgar bids again, and is bound to offer 950p.

This is not going to happen. If, as expected, Professor Littlechild goes for a full review next Friday, Trafalgar will claim enough smoke has cleared from the battlefield for it to launch a further bid, which should also be at 950p. Northern has the option of consenting and putting the new bid to its shareholders.

Again, this is not going to happen. Northern has the right to wait until the end of the review, a point made plain by the Takeover Panel last night. If there is also a Monopolies Commission inquiry, a move Northern could itself trigger at will, this would push any further bid into next year. This would provide something like the year's grace allowed under the takeover rules, and any bid then would be at a price impossible to set now.

For Trafalgar to proceed before then would require one of two things. It would require the Panel to make an exception at some stage and sufficiently mangle the rules to allow it to, which would effectively tear up the code and would cause untold grief in boardrooms up and down the land.

This, too, is not going to happen — one hopes. Alternatively, it would require Northern to cave in to shareholder pressure and allow a bid through anyway. Those tempted to exert such pressure might bear in mind two things. As the weeks or months progress, the certainty of 950p still being on the table at the

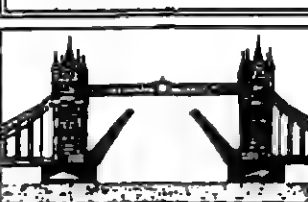
end erodes. Too long a delay, and Trafalgar can set its own price, which might be rather closer to the then market price.

Second, if Trafalgar takes control ahead of the conclusion of the regulatory review, Professor Littlechild will feel honour bound to use the review to ensure they do not get a bargain. Suffering equally would be the other 11 regulated companies, in whom those aggrieved shareholders also doubtless have significant holdings. The value of those holdings would dive, so risking wiping out any gains from forcing through a successful Trafalgar bid.

Confusing lack of prudence

□ MICK NEWMARCH, as chief executive of the mighty Prudential, was the biggest and prickliest thorn in the side of the City's regulatory establishment. Here was a man who could spot a naked emperor at 500 paces and would not keep it to himself. A cynical view might therefore be that the Stock Exchange

PENNINGTON



inquiry into his sale of option shares in October had served his purpose when he resigned, citing unhappy relations with regulators as a prime cause of his distress. On that reading, the verdict would scarcely matter.

This looks to be one occasion when a cynical view is generous. To the plain man or woman, the long-pondered statement issued by the exchange yesterday morning must seem a casuistical cop-out. Mr Newmarch did not breach the code for directors' dealings, presumably because he sought and was given permission to deal, though the exchange does not say so. On the other hand, the exchange's quotations committee was "critical of the way in which Mr Newmarch

and the Prudential approached their consideration of the dealings". How and why is, again, not explained.

If this is just regulation, it is peculiar and private justice. Mr Newmarch did not intend to use privy price-sensitive information to gain a personal advantage, though it could have appeared that he had. If clearing him of breaching the code ends the risk of drastic consequences, that decision is therefore welcome. No matter if the Treasury and some City folk are hopping mad.

The shame is that these rulings leave confusion. They leave the position of the Prudential, and by implication Sir Brian Corby, unclear. They leave in limbo whether breaches of rules should attract a penalty, let alone what it might be.

When such a basic issue as insider dealing is at stake, this makes City regulation a laughing stock. The exchange, already a shadow of its former eminence, does not really want to be involved. This affair will hasten its exit. It has shown the folly of having many weak, overlapping regulators. That will hasten

what the City now reckons inevitable: the creation of a single body with strong statutory powers and sole responsibility.

Paradise deferred

□ THE latest reform proposals from Sir David Tweedie's Accounting Standards Board are sensibly coloured by political realism. Deferred tax, the subject of its discussion paper, has not caused public scandal or sent ordinary folk leaping about in outrage. Some judicious sweetening of the pill is therefore wise if the board wants to get its proposals through the bristling ranks of finance directors and tax accountants.

As Robert Bruce explains (page 28), the board has stuck logically by its principles. It wants company accounts to recognise all potential tax liabilities, due for instance to unwinding accelerated capital allowances, whether or not management reckons cheques will ever have to be sent to the Inland Revenue. Directors' discretion caused

many real accounting scandals, so the principle is right.

As stock market analysts have pointed out, however, the change to full tax provisioning could knock reported earnings by a tenth on average, much more for companies with big capital spending programmes. Deferred tax is a liability on balance sheets too, so the reform would also increase loan gearing. Water and some other utilities, which would be strongly affected, might be pleased to see reported profits fall. Most others would not.

To counter such unpopularity, the board suggests that future tax liabilities be discounted by the rate of interest on government bonds. This begs new questions but should soften the blow, especially for the most-affected companies. Discounting would also apply to deferred tax already reported and the fuss might, in the end, be about little.

This will not save the proposals from being savaged by professionals. Roger Davis, head of audit at Coopers & Lybrand, says they are "potentially harmful to industry for no compelling reason". Gerry Acher, his counterpart at KPMG, says the board should leave well alone.

If these prove typical of responses between now and June 16, the board will be glad it did not nail its colours too firmly to its preferred reform.

Closer stock exchange liaison urged

BY ROBERT MILLER

GEORGE MALLINCKRODT, the chairman of Schroders, yesterday called for closer liaison between the world's stock exchanges and derivatives markets in the wake of the Barings collapse.

He also said that City houses should instantly dismiss traders who broke pre-agreed trading limits, even if they made money on their deals.

Mr Mallinckrodt argued that global markets needed a code of conduct and a framework similar to that which binds central bankers through the Bank for International Settlements in Basle and the various Basle agreements on capital adequacy and controls.

Schroders, one of the UK's leading merchant banks, was closely involved in the aborted Bank of England scheme to bail out Barings as a potential rescuer prepared to put up money and in a corporate finance capacity.

Mr Mallinckrodt, who was unveiling unchanged annual pre-tax profits of £195 million for 1994, said that Schroders' proposed contribution to the collective rescue kitty was at the very very top end of the scale for merchant banks. He be-

lieves that personnel departments should vet potential employees far more closely than they do now. He added that although proprietary trading was not a major activity for Schroders "we are not complacent and are conducting a thorough review of our current procedures and will update these as necessary".

A 21 per cent fall in profits from merchant and investment banking activities to £110 million last year, against £139 million previously, was more than made up for by Schroders' fund management arm.

This increased its profits by 50 per cent to £85.4 million, from £56.8 million last time, with new money flowing in from pension funds, charities and unit and investment trust investors.

Funds under management at the year-end stood at £57.6 billion and a further £3 billion has been added so far this year.

The merchant bank also announced that it was proposing to issue one share for every two in issue and was recommending a final dividend of 14.5p to raise the total payout for the year to 20.5p.

THE TIMES Win a £6,000 PEP



A Personal Equity Plan (PEP) is a way of investing money out of the reach of the tax man and The Times, in association with TSB Bank, is offering you the chance to win a £6,000 PEP. Answer the questions which appeared on Saturday and which will reappear tomorrow, collect four of the six PEP tokens which are appearing each day, and you could win an investment in your choice of three TSB unit trusts:

- The TSB UK Income Fund alone to provide a high-income return with the potential for some capital growth over the longer term, from investments in Britain.
- The TSB UK Growth Fund invests in a wide range of UK ordinary shares and aims for long-term capital growth.
- The TSB Worldwide Growth Fund aims for long-term capital growth from a broad spread of international securities, with at least half of the fund invested in Europe.

These three funds, which were launched in November 1994, have all ranked in the top quartile of their particular unit trust sectors over the past three months. Because of the regulations governing PEPs, winners will receive a holding in the unit trust of their choice. Provided they are eligible, they will be able to convert this to a PEP at no cost either immediately or, if they have already taken out a PEP this year, after the end of the current financial year.

A PEP investment is an excellent home for long-term savings, with all income and capital growth exempt from both income tax and capital gains tax. Readers can obtain full details of TSB PEPs at their nearest TSB Bank branch.

How to enter
Collect four of the six tokens which are appearing this week and send them on a postcard with the answer to Saturday's questions plus the tie-breaker by March 22, 1995 to: The Times Win a PEP Competition, Week 4, 10 Whitefriars Street, EC8B 2NG. The winner will be selected from all correct entries received by the closing date.

* Source: Midpoint offer-to-offer. Income tax relieved, 40p at 18.2.95.

THE TIMES
Fourth week
PEP
Token 5
TSB

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For be it from us to suggest that your bank isn't doing all it should, but you may like to consider these offers from Yorkshire Bank. No arrangement fees to transfer business borrowing of up to £10 million from your existing bank. Cash back towards security documentation fees. Three months free banking if you remain in cash. And if that's not enough, our Business Investment Loan cuts 1% off our base rate for new capital investment of up to £2 million, whether you're a new or existing customer. Phone 0800 221 221 now for a full information pack and see who really does the business.

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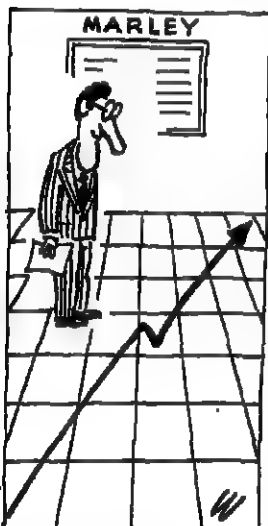
YORKSHIRE BANK PLC, FREEPOST 540, LEEDS LS2 3YJ. PLEASE SEND ME THE YORKSHIRE BANK BUSINESS INFORMATION PACK.

THE TIMES CITY DIARY

Back in the limelight

CEDRIC BROWN, of British Gas and high salary fame, not only took the company away too. As part of its "good works", the company has donated £2,000 towards the preservation of Malvern's Victorian gas lamps. There are about 100 around the Malvern Hills, but because running costs are over £100 per year each they were under threat of extinction. In stepped British Gas with a lifeline, and the locals lit up.

CITY watchers say SG Warburg, where the employment number has been cut by hundreds in recent months, could be swinging the scale yet again. After all, the bank's year end is on March 31 and if any company hopes to start off a new financial year with a clean slate, it takes all the hits in one year.



Heavy mail

IF YOU are a Lombar shareholder and happen to be late for work tomorrow, then you'll have every excuse. Tiny Rowland's personal circular to Lombar shareholders, in which he gives his side of the story and background to his recent ousting as a director and employee — not a man "to be dismissed as if I was a secretary" — is due to be mailed this afternoon and should be coming through letter boxes tomorrow — Royal Mail willing. All 16 pages of it.

Lift man

IF AT the Ideal Home Exhibition yesterday you heard Jim Rawson, chairman of house building group Epwin, mutter that the ideal home is not on the sixth floor, here's why. On Tuesday, he reported a 32 per cent rise to £6.18 million in 1994 pre-tax profits, and returned to his London flat. It had been a good day, that is until the lift got stuck between the 5th and 6th floor. He then found the emergency telephone was out of order, and had to shout for 45 minutes before anyone heard him.

IT HAS been 74 years since the Institute of Chartered Accountants in England and Wales admitted its first woman. Yesterday, Nicola Cryer, 26, from Northallerton, Yorkshire, became its 16,000th.

UBS's Big gun

RUSSELL WRIGHT, an Army and City man to his finger tips, is proof that there is life after the military. He left the Army in 1989 after 33 years, in the rank of Lieutenant Colonel, set up and ran the direct-dealing arm of an underwriting agency at Lloyd's. In 1991, he went to Kleinwort Benson Investment Management where he was a member of the charities division. Now he has been poached by Cantrale Investment Management, part of UBS, to lead the battle for charities' money. If you ever doubted how methodical Army types are, consider this, it took him just 14 weeks to organise the re-registration of every car owned by armed services personnel in Europe — 60,000 of them!

COLIN CAMPBELL

Another half-point rise in interest rates might just be acceptable to keep control of inflation

Loosen your seatbelts. After rocketing upwards at a rate that surprised central bankers, the British and American economies are heading for a comfortable soft landing. In the next few months, there will doubtless be further "strong" statistics such as yesterday's blip in the British retail sales figures or the jump in industrial production in America. But anyone who expects the roaring recovery of the past 12 months to continue will be misled.

The British retail figure was obviously a statistical aberration, caused mainly by the shift of the January sales into December — itself an indicator of the gloom in the high streets. The boom in American industry is a natural result of the weak dollar, but gradually it will be moderated by the decline in consumer confidence and domestic demand.

Headline writers and bond traders may seize on odd monthly statistics to proclaim that inflation or recession are again upon us — perhaps at the same time. But neither of these disasters is remotely in prospect on either side of the Atlantic. The truth may be duller for journalists, politicians and financiers, but more satisfactory for businessmen: an unexciting period of moderate growth and low inflation, stretching towards the end of the decade.

This is the prospect the City and Wall Street have come to describe as a "soft landing". In contrast to the "hard landing" predicted a few months ago by the many analysts who expected interest rates to rise so far and so fast that a full-scale recession would result by 1996. In fact, it was always more likely that Britain and America would make a relatively smooth transition from the unsustainably rapid growth rates typical in the early "recovery" years of an economic cycle, to the slower growth that is normal in a cycle's middle years. This middle-aged period of the cycle should see three or four years of growth averaging 2 to 3 per cent a year. Only after such a prolonged middle-age, with moderate growth

and steady or falling unemployment, does the cycle typically enter its mature, final phase. Only then do workers and consumers become over-confident and investors over-optimistic. Only then does inflationary overheating become a serious problem. At this stage monetary and fiscal policy may be tightened, but businessmen, trade unions and consumers are so self-confident they ignore higher taxes and interest rates. Only then does policy have to be tightened so abruptly that a new recession results.

Given that the last recession ended only two years ago in Britain and three years ago in America, another boom and bust is most unlikely to follow as soon as the impatient financial markets sometimes seem to expect. Apart from the exceptionally brief and erratic swings of the 1970s, business cycles in the post-war period have usually lasted ten years or more. Perhaps "usually" is the wrong word, since there have been only four full cycles

since 1949. This is too small a sample for any reliable conclusions to be drawn about what is really "usual". But apart from the reassuring observation that three of the four post-war cycles have lasted about a decade, there are analytical reasons for believing that business cycles as short as the six years from 1973 to 1979 will remain the exception.

The economic cycle is a man-made phenomenon, not an act of God. Cycles occur because people have a natural propensity to project forward their present mood into the distant future and to swing between extremes of euphoria and gloom. In the days before governments and central banks learnt to restrain economic cycle through active demand management, the swings between over-optimism and pessimism among businessmen and financiers led to large swings in business activity which often lasted even longer than a decade, but usually climaxed in very serious financial crises, deep depressions or

wars. After the Second World War, when governments began deliberately countervailing swings in private sector activity with changes in monetary and fiscal policy, cycles have tended to be shorter, recessions have been briefer and the amplitude of the cyclical swings has been far less extreme. Even the last two boom-bust periods in Britain were far less extreme than the swings before 1950. To that extent, Keynes's dream of avoiding depressions through demand management has been fulfilled.

Of course, no government or central bank has ever managed to fine-tune demand sufficiently closely to eliminate the cyclical tendency of a market economy to generate alternating inflations and recessions. But timely shifts in monetary and fiscal policy have almost always succeeded in steering the economy along a reasonably smooth glide-path from the early phase of rapid

post-recession recovery into the middle phase of moderate growth.

The reason why this early-cycle transition is usually successful, while the late-cycle attempt to slow an economy usually ends in recession, is mostly a matter of human psychology. In the early years of a cycle, the memory of the last recession is still fresh. Thus businessmen, investors and consumers are wary of over-extending themselves and easily intimidated by a small increase in interest rates or taxes. By the time an economic cycle is reaching its final stage, by contrast, the situation is very different. People have enjoyed eight or ten years of uninterrupted growth. They have forgotten about the risks of recession, of insecurity of employment, of sudden falls in their real wages or corporate cash flows. Even when the central bank raises interest rates or the government raises taxes, businessmen and consumers are very slow to respond. If their disposable income or cash flow

declines, they are more likely to increase borrowing than to cut back. Economists and market analysts, meanwhile, react in the opposite way to businessmen and consumers. Two or three years after the end of recession, they are still worrying about the failure of policy the last time the government tried to restrain demand. When interest rates are raised gently or fiscal policy is moderately tightened, they point to the previous period of over-confidence and predict that consumers and businessmen will go on spending, despite policy changes, just as they did in the last boom.

This is exactly the pattern observable in Britain and America today. Policy has been tightened sharply in the past year. In America by means of higher interest rates, in Britain through higher taxes. And people have responded, even while the analysts have predicted that there would be no response at all. The response has been much more pronounced in Britain because taxes act more quickly than interest rates. The very sharp response can be seen from the faint lines in the charts of British retail sales and industrial production. These show changes in three-month averages, adjusted to an annual rate: the rates of change in both retail sales and industrial production have fallen very steeply since the spring of 1994, when the new taxes came into effect.

American consumers and industrialists show less evidence of feeling the pinch. This is hardly surprising since interest rates have only been raised very gradually and usually take a year or more to have their full effect. All that can be said for sure about the American statistics is that growth is no longer accelerating. But experience strongly suggests that demand will slow significantly once the normal lags in monetary policy play themselves out in the next few months. Meanwhile, many economists in Britain are still insisting that consumers ignored last year's tax increases. And analysts on Wall Street maintain that last year's doubling of US interest rates will have no impact on demand.

Fortunately, what matters is not the view in the City and Wall Street, but in the Fed and the Bank of England. The central banks must recognise that policy tightening has worked exactly as it ought to, and there is little or no further need to restrain demand. Another half point rise in interest rates might just be acceptable to keep control of inflation. Beyond that, the central bankers should be as ready to cut as they have been to raise interest rates.

Philip Bassett on a tale of two statistics

Seekers after job facts beset by conundrums

Michael Portillo, the Employment Secretary, was quite clear about it yesterday. "Unemployment," he said, on a visit to Unipart's Oxford factory, "is falling because economic recovery is creating extra jobs." Six hundred jobs were being created every day, he said.

Labour doubted it. Harriet Harman, Shadow Employment Secretary, pointed out that there are now 1.5 million fewer jobs in the economy than there were in 1989, while the trade unions said that the recovery in the labour market was clearly slowing.

New figures yesterday from the Department of Employment showed that the workforce in employment (WIE), the Government's principal jobs measure, rose by 115,000 in the final quarter of last year. However, behind that figure lie large-scale revisions to the employment statistics that will now allow ministers to claim that the recovery is not, after all, a jobless one.

In December, *The Times* reported work going on in Mr Portillo's own department to try to draw together the WIE figures, which showed employment still falling, with figures from the Government's quarterly Labour Force Survey (LFS), which showed it was rising. Although that work is still going on, yesterday's WIE job figures showed the first fruits of it.

At the time, *The Times* reported that the WIE series was showing a fall, over the previous 12 months, of 17,000, against a rise in the LFS job total of 202,000. Yesterday's revisions mean that this fall of 17,000 is now seen by the department as a rise of 7,000.

Ministers proclaimed the subsequent increase in the WIE for the three months to September of 142,000 — which yesterday's revisions now put up to 152,000 — as bringing the two job measures into the same direction. The department's revisions run back to December

1991, but, looking at the period since unemployment started to fall, a year after that, the total revisions in the job figures amount to identifying an extra 680,000 jobs.

How has the Government managed to boost its jobs total by 680,000 — or 795,000, including the latest quarter's figures? The Government's revisions depend on three factors: more up-to-date seasonal adjustments, more information received from the sources the department uses to measure jobs, and what officials describe as significant adjust-



Portillo: lot more jobs

ments to job levels in the construction industry.

Government statisticians believe that the LFS — based on household surveys of employees — was picking up more accurately the number of jobs in the highly casualised construction industry than was the employer-based WIE, which has now been revised to take better account of the jobs indicated by the LFS figures.

This means, for example, that, in the pre-revised WIE series, construction accounted for 765,000 jobs. Now, after the revisions, it accounts for

885,000. This rise of 120,000 is equivalent to almost 80 per cent of the total rise in jobs for the three-month period.

The total number of jobs in construction that the WIE series has "undercounted" since December 1991 is put now by the department at 736,000, close to the industry's total employment.

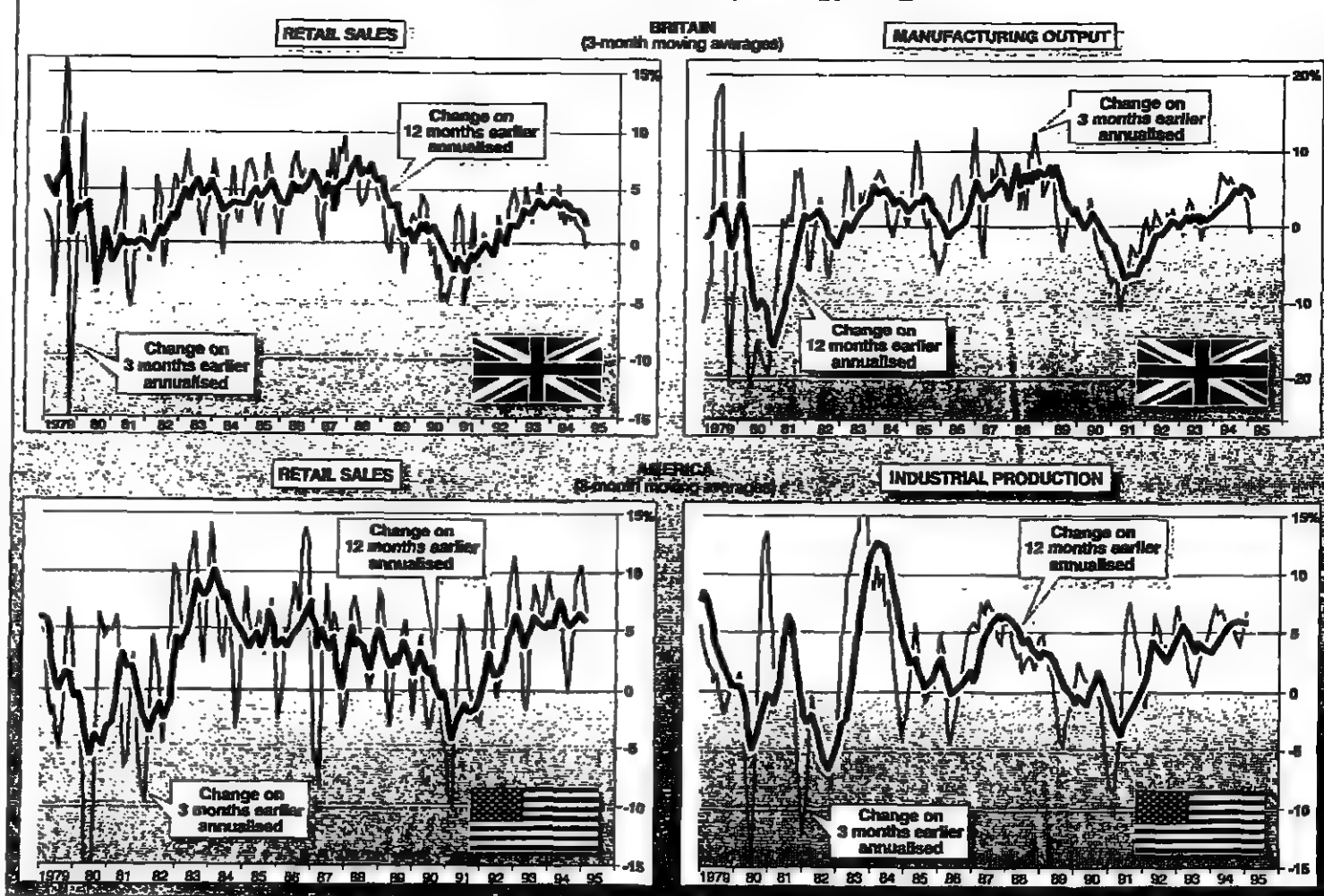
The construction industry estimates that it has lost 500,000 jobs in the recession, and, at precisely the same time yesterday as they were identifying construction as one of the main factors behind the upward revisions to the employment figures, Department of Employment officials said that construction was one of the activities, also including agriculture, in which the number of jobs fell in the last quarter of 1994.

Of the latest quarterly increase, banking, insurance and finance jobs rose by 32,000 — which might sit oddly with continuing job losses being announced by the banks. Retail distribution rose by 7,000, which might sit oddly with the fall in retailing jobs announced this week by the Confederation of British Industry, and with such substantial closures as Rumbelows and Athenas.

The Employment Policy Institute, an independent research body, said yesterday that the complex state of the UK labour market was now piling "conundrum upon conundrum". Department officials insisted yesterday that their latest revisions to job figures do not cast any doubt on their overall credibility.

Maybe not trying to reconcile the different stories being told on employment by the LFS and WIE figures was never going to be easy. Poll evidence shows that people's fears about job insecurity are still high, even though unemployment is now down by 607,000 since its peak: trying to convince people that the job picture is better than they see it will be even more difficult still.

PREPARE FOR A SOFT LANDING



BUSINESS LETTERS

Contracting-out protection for workers must be upheld

From Mr Barry Reamsbottom
Sir, British employees have every right to demand that the Government does nothing to attempt to weaken the legal protection they currently enjoy when involved in contracting-out exercises ("Will TUPE safeguard jobs?" February 22).

Before the successful campaign of unions such as mine, to get the Government to put in place an effective law, as required by the EU, to properly safeguard employment rights, companies had almost a free hand to buy up businesses and to make whatever changes to workers' terms and conditions they wished. Staff could be, and regularly were, made redundant and their jobs re-advertised at lower rates of pay with the loss of other benefits. This often resulted in the appalling situation of workers applying for their old jobs on far worse terms.

This is what contracting-out meant for most of the 1970s and 1980s. Any savings arising out of these contracts in the past had very little to do with better value for money being secured. Companies merely cynically exploited various legal loopholes, until they were very firmly closed by a landmark European Directive and important decisions from the European Court of Justice.

In most other European countries, contracting-out is still relatively rare, whereas over the past two years in Britain there have been more than 800 exercises within the civil service alone. This explains why the issue has been the subject of so much debate in this country and not others and also why it is vitally important that our Government does not surrender to the incessant bleating of contrac-

tors to tear down the legal protections which had, we all hoped, brought to an end the disgraceful way employers used to be able to treat staff.

Perhaps the most revealing statistic of all is that of the 10,400 civil service jobs that have been contracted-out since 1992, only 194 were without the protection of TUPE. The law is working, so there is no reason to change it.

Yours faithfully,
BARRY A. REAMSBOTTOM
(General Secretary),
The Civil and Public Services Association,
160 Falcon Road, SW11.

Gambling man

From Mr Clive Ricketts
Sir, Let me cast your mind back seven or eight years, when as a young market-maker I appeared on *The Money Programme*. Chosen for the interview by one of our directors, I was asked to talk about life as a young trader and what I enjoyed about it. Among my replies (shown out of context), I compared trading with gambling on the horses,

made the more enjoyable as it was with someone else's money. How pleasing it was over the past week to see both the media and "City experts" using the word "gambling" in abundance when describing the Barings fiasco.

Rather than being castigated then by my superiors, maybe I should have been congratulated on my honesty. Yours faithfully,
CLIVE RICKETTS,
20 High Street, Lenham, Kent.

Option benefits

From Mr Stanley Lerner
Sir, With reference to the current question of share options, I was always under the impression that highly paid members of a board were employed because of the benefits they could bring to the advancement and profitability of the company, and the increase in the value of the company shares.

If this is the case, then surely those directors would have the same confidence in their ability to fulfil these expectations, and thus it would be reasonable to expect that when they were appointed they would purchase shares in the company in their own right.

If at the end of their term of office those shares had increased in value, then they have every justification and entitlement to whatever profits they may receive. The real benefit of share options is that should the same shares not increase in value, or even fall, then they simply do not take up their options. Yours faithfully,
STANLEY LERNER,
37 Hove Park Way,
Hove, East Sussex.

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Source: Fieslet
 * Yield expressed as CAR (Compound Annual Return);
 † Ex dividend; ‡ Middle price; . No significant data
 @ Periodic Charge deducted from capital; (x) Ex Charge

ACCOUNTANCY

Let investors have a say

Lesley Drummond looks at the issue of accounting standards compliance



Drummond: backs investors

Ask the average financial controller in an owner-managed business with sales of less than £2.8 million about applying the complexities of accounting standards on leasing, pension costs and investment properties on annual accounts and you are likely to hear complaints.

Others are likely to become uneasy at the proposals published by a working party of the Consultative Committee of Accountancy Bodies (CCAB), *Exemptions from Standards on the Grounds of Size or Public Interest*, which offer what is almost a blanket exemption from accounting standards to all companies with turnover of under £2.8 million.

Accounting standards provide that annual accounts will be prepared consistently on a basis that will reflect accurately the company's progress.

In its response to the CCAB paper, the accounting standards committee of the Institute of Chartered Accountants of Scotland has proposed that

shareholders in small companies should still be able to request compliance with accounting standards.

The institute acknowledges the importance of finding a balance between public interest and shareholder protection and deregulation initiatives. It favours deregulation, but believes it must not be at the expense of tipping the balance against shareholder protection.

As a means of achieving this balance, the institute recommends that shareholders should have the ability to require full compliance with accounting standards. Requiring 100 per cent shareholder agreement for non-compliance with accounting standards would protect all shareholders, but could be regarded as unrealistic. Shareholder agreement at 90 per cent would tie in with the audit exemption requirements where, if 10 per cent of the shareholders request an audit, even if the company is exempt from audit, one will have to be



Drummond: backs investors

performed. Equally, a provision for 75 per cent shareholder agreement would tie in with a number of other Companies Act requirements where a special resolution is required.

The institute recommends that the exemptions will not apply to some public interest companies, for example certain charities.

In attempting to forge a reformed, deregulated regime that continues to offer shareholders adequate protection, the institute takes issue with the working party's proposed "bottom up" approach since it believes it does not differenti-

ate between the measurement and the disclosure elements of accounting standards.

Instead, the institute favours a "top down" approach that will eliminate certain disclosure elements of certain standards from being mandatory to small companies and will also identify where specific measurement standards can properly be excluded.

Subject to these exclusions, measurement issues of standards should continue to apply to all companies or the managerial benefits of the accounting information may be lost and external parties, including creditors, may lose the reassurance they currently receive from accounts that comply with measurement issues.

Finally, the working party should establish that its proposals will be accepted by organisations and groups such as the Inland Revenue and banks. Unless their support can be confirmed, it is questionable whether the burden on small companies will be reduced, even if accounting standards no longer applied.

The author is an assistant director of accounting and auditing at The Institute of Chartered Accountants of Scotland.

Robert Bruce on reporting tax liabilities

Cutting back on the flexibility

IT WAS the sort of thing that Sir David Tweedie, the Accounting Standards Board chairman, relishes. Last October, the strategy and economics team at Hoare Govett put out a research document, *Tweedie's Tax Bombshell*. This dealt with the choices that lay ahead for the ASB on the methods of reporting tax liabilities and, in particular, deferred tax.

It said: "Given Sir David Tweedie's revealed preference for the 'commitment-based' provisioning practised in America, rather than the 'decision-based' provisioning which leaves management with discretion, he may well pursue the radical option. If he were to do so, this would reduce reported earnings for the whole market by around 10 per cent."

In an ASB discussion paper, Sir David has done just that. And the effects for some companies could prove devastating. Terry Smith, an analyst at Collins Stewart, issued figures recently that suggested it would mean a 36 per cent fall in earnings per share at British Airways, for example, and large falls among utilities.

Tax is not the sort of area that the interested observer of UK companies would expect to be potentially devastating. But the reason is simple. The ASB remains true to its aims of trying to get

companies to report what is happening. The problem is that the current system of accounting for deferred taxation is subjective and is reckoned generally to be unauditable. It also provides huge anomalies for the largest companies when it comes to reporting under both UK and US generally accepted accounting principles (GAAP).

As the Hoare Govett research puts it, "under current procedures, provision needs to be made for deferred tax only to the extent that it is probable that a liability will crystallise in the future. This offers companies flexibility and results in lower deferred-tax provisions in balance sheets and lower tax charges against earnings compared to the US GAAP."

The proposals put forward by the ASB in *Accounting for Tax* both attempt to cut back on the flexibility and try to bring the rules into line with those used in the US. The whole problem arises from the difference between the profit in a set of accounts and the profit figure on which tax will be assessed.

UK entertainment expenditure, for example, is a cost that would reduce reported profit but is disallowed for tax purposes. Of such small differences do huge anomalies arise. These can then be argued over and, in the UK, used for smoothing profits. If you can argue the deferred tax is unlikely to become a real-

ity in the near future, then you can avoid having to report it this year as a liability.

This is the flexibility that the ASB seeks to cut back on. At present, company directors have only to make a plausible case and they can keep the liability out of the reporting of the current year's figures. The ASB paper says: "It is possible to reduce the current year's tax charge simply by assuming an increase in future capital expenditure."

Some users of financial statements have indicated to the board that, for this reason, they sometimes find it difficult to accept the tax charges and liabilities of UK companies at face value.

The other argument is that it would bring the UK system into line with that of the US. What is known as the "full-provisioning" method would do this. The other two methods discussed would not. And while there is no reason why adopting a system that harmonises with the US system is essential, it is more likely to be of use to companies in the long run as they seek to tap international capital markets.

All this change is some way off. All the ASB wants at the moment are comments. At the moment, it "on balance" recommends adoption of the full provision method. It may be that public hearings will be required eventually to clarify matters.

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THEATRE page 30
Sian Thomas and
Phyllida Law star in a
haunting tragi-comedy
at the Almeida

ARTS

CD DIRECT page 31
The great Italian
conductor Carlo Maria
Giulini is this month's
featured artist



CINEMA: Geoff Brown is enchanted by *Little Women*, turns a deaf ear to Beethoven and joins a priest's 'outing'

Respect for women's rites

Oh Jo, don't say 'awful', it's slang! says Meg, eldest of Louisa May Alcott's girls in *Little Women*, filmed for the sixth time in a sumptuous production by Gillian Armstrong. For modern moviegoers uttering the word "awful" carries all the penalties of saying boo to a goose, so the line gives a strong indication that *Little Women* takes place in remote times, even on a remote planet.

Masculine types might think that five previous versions — two silents, the 1933 classic with Katharine Hepburn, the 1949 bore, and one forgettable television movie — were sufficient. But with Hollywood dusting off any and every children's classic, Alcott's book deserves a new life. Especially in Armstrong's hands: the Australian director of *My Brilliant Career* makes us feel right at home with the moral values and customs of New England in the late 1800s. Contemporary feelings are not forgotten, either. Whenever the feminist angle can be heightened, it is. But nothing is distorted. The tale is told.

Having a superlative cast helps. No amount of talk can make Winona Ryder's Jo March appear plain, but she has the right headstrong spirit, and echoes of her modern roles as a feisty adolescent only add extra resonance. The other young ladies, including Trini Alvarado as Meg, and Claire Danes as the shy, fragile Beth, chime equally well with their parts.

Susan Sarandon is the saintly Mrs March, who keeps the home together while her husband serves in the Civil War. Her appearances are brief, but she makes each one count and never lets her homeliness become cardboard pieties. As for the merfolk, neither Alcott nor Armstrong give them top billing, but Gabriel Byrne, Eric Stoltz and Christian Bale flesh out their roles with sensitivity.

Visually, *Little Women* is a constant, if conventional, delight. We progress through the seasons, from Christmas snow through to autumn foliage. If the film's emotions had been stillborn, the prettiness might grate. But the images never bury the characters and the pangs in their hearts.

Perhaps Armstrong's secret weapon is her pacing. Nothing is forced, no matter how close the material steers towards

Little Women
Odeon Leicester
Square, U, 118 mins
Fresh edition of the
children's classic

**Immortal
Beloved**
Empire, 15, 120 mins
Strangely dull life of
Beethoven

Priest
Curzon West End, 15,
106 mins
Overwrought drama
about a gay Catholic
priest

Eden Valley
ICA Cinematheque,
15, 100 mins
Raw slice of life from
northeast England

I.Q.
Empire, U, 96 mins
Synthetic comedy

outright melodrama. On Beth's death, the family nurse scatters petals over her pillows and dolls: a simple moment but an occasion for moist eyes, mine included. This new *Little Women* is an unexpected triumph. Even the 1933 version must look to its laurels.

It is usually comedies that start with the reading of a will, not musical biographies. But Bernard Rose's *Immortal Beloved* has a reason for gathering together Beethoven's intimates after the funeral parade. A letter is found: all music, all monies to go to "my sole heir... my Immortal Beloved". Who is she, or he? In Rose's script, Anton Schindler assumes the Joseph Cotten role in *Citizen Kane* and trawls through the past to solve the enigma.

There are three main candidates for the Immortal Beloved, none of them championed by Beethoven scholars. But most cinemagoers will not be troubled by Rose's conjectures. For a far greater enigma looms: how can a film about Beethoven from a flashy director and starring Gary Oldman ever be boring?

The curse of high art, I suppose. When Rose makes a horror film such as *Paper-*

house, he lets rip a gaudy imagination. When Oldman plays gun-toting American scumbags, his enjoyment is palpable. Here, both are on their best behaviour. Oldman's performance is entirely decent, if you accept the script's caricature of Beethoven as a perennially boorish, raging genius; but you feel you are watching an animated waxwork, not a human being. Rose restricts his virtuoso instincts for moments such as the climactic reverie, accompanied by the *Ode to Joy*, in which the composer floats in the twinkling heavens. Ken Russell would approve. The rest has that bland Euro-pudding taste, with multinational actors trotting around Prague (a stand-in for Vienna). Jeroen Krabbe appears as Schindler, while Johanna Ter Steege, Valeria Golino and Isabella Rossellini head the immortal *Beloved* shortlist.

The soundtrack boasts one bold stunt: a subjective evocation of Beethoven's deafness, the music sounding muffled, out of synch. Elsewhere we hear Sir Georg Solti, the London Symphony Orchestra and soloists loud and clear (with the accent on loud). Cognoscenti will note how Beethoven's period piano produces the sounds of a modern concert grand. But the film was not made for the authenticity brigade. I am not sure who the audience is, unless a following exists for outmoded, romantic biographies and films laid low by their own dull ambitions.

"Do something, don't just hang there, you snuggly, idle bastard!" A tormented, gay Catholic cleric addresses these words to a Crucifix looming from a vicarage wall. With moments like that, no wonder Antonia Bird's film *Priest* has raised eyebrows. It has also swept audiences away; at festivals on both sides of the Atlantic people have stood, cheered, wept, and almost clapped their hands off.

The film's emotional pull is undeniable. The hero (Linus Roache) is a naive, priggish young priest who comes up to Liverpool to toil in the inner city. For a time he suffers the usual problems naive priests attract. Then he fetches black leather out of the wardrobe, and cycles to a gay bar.



Winona Ryder as Jo in Gillian Armstrong's triumphant remake of *Little Women*

Torment follows, especially when his secret life becomes public. Parishioners are apoplectic, but his fellow priest preaches compassion, and the soundtrack chips in with *You'll Never Walk Alone*. Humanity three, hypocrisy nil. To succumb to this onslaught, though, you have to forgive a lot of faults. Bird's directorial work improves on her television film *Safe*, but she still bullies material that would flourish better in gentler hands, and any visual felicities are intermittent. Jimmy McGovern's script comes well stocked with venom and caustic humour but packs in characters like sardines: a residue of its original conception as a four-part television series. And while supporting characters such as Tom Wilkinson's down-to-earth Father Matthew jangle with life, Linus Roache makes the hero an unappealing cold fish.

Since it is rare to find a British film that stirs emotions, not cups of tea, *Priest* deserves one rousing cheer. It gives audiences something to bite on, which you cannot say for *Eden Valley*, one of the Amber Films collective's dramatised slabs of life in northeast England. The wintry skies are beautiful, the people look real; so do the horses (the story concerns harness racing and an uneasy relationship between father and son). But the film is so determined to avoid any commercial excitement that it slips from your grip.

I.Q. is a winsome little comedy, funny as far as it goes, which is only about 3ft. The place and time is Princeton in the 1950s. The university's prize genius, Albert Einstein (Wahneema Lubiano), is concerned that his egghead niece, Meg Ryan, will marry an uncouth, conniving psychologist (Stephen Fry, alive and well on the silver screen). So he endeavours to engineer a love match with Tim Robbins's garage employee.

Andy Breckman, the script's deviser, claims allegiance to past masters of Hollywood comedy such as Capra and Preston Sturges. The roles would certainly suit their stars. You can see Jean Arthur, intelligent, obstinate, in Meg Ryan's role; James Stewart would be the good-natured, ordinary Joe. But nothing can recapture the old films' natural, breezy spirit. While pleasant enough, I.Q., directed by Fred Schepisi, is far too conscious of being cute.

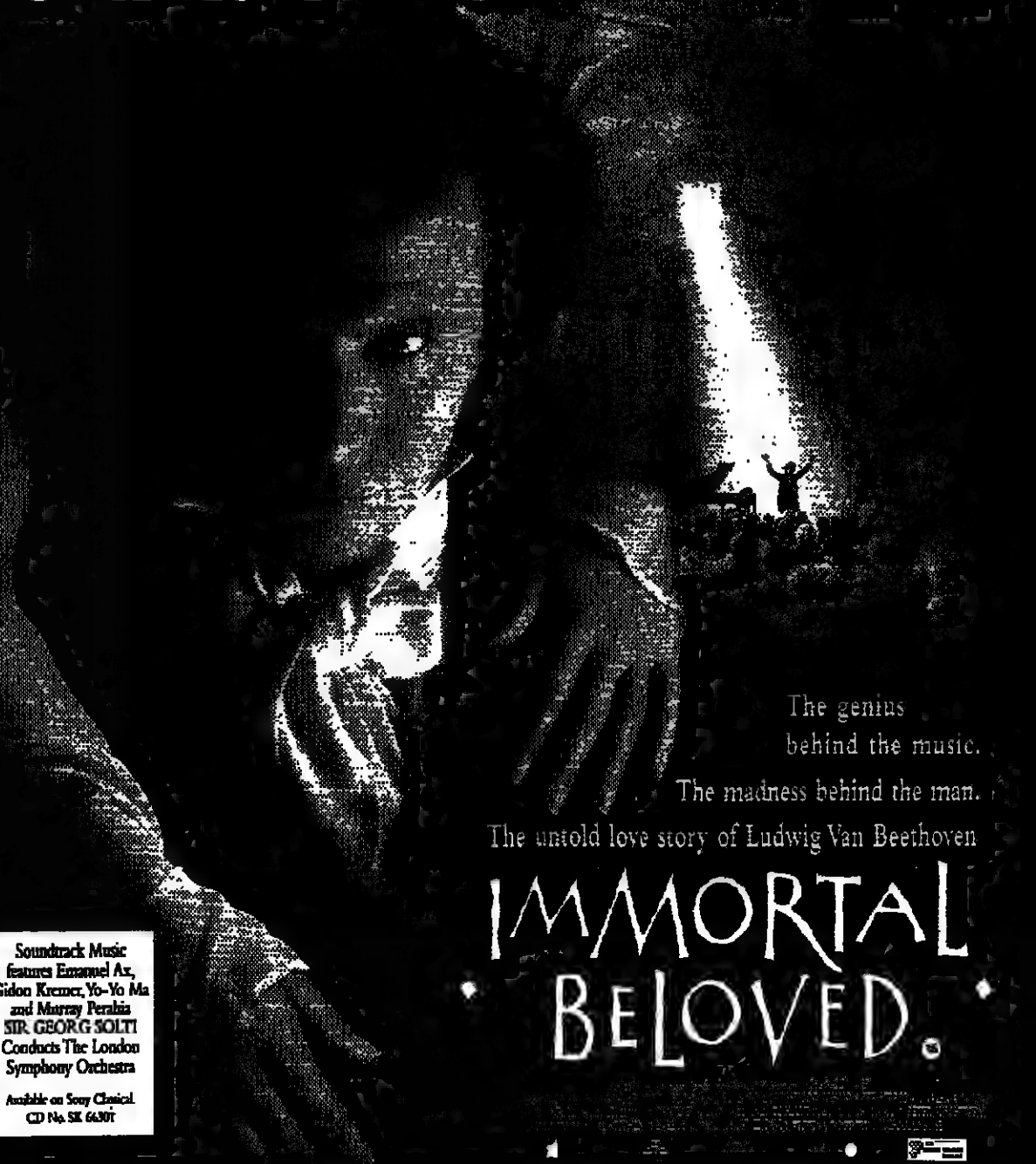
Can Hollywood learn the score?

So Gary Oldman, who once played Sid Vicious, is Beethoven in *Immortal Beloved*. Par for the course. Geoff Brown writes. But the life of a great composer is a subject that can bring out the best and worst in Hollywood. If you want to make a bad film, composers make sitting targets. A good film is more difficult. I offer the following lists for your consideration:

- | HARMONY | DISCORD |
|---|---|
| ■ AMADEUS (1984): Tom Hulce's Mozart first appears as an American brat, but grows less wearing. Milos Forman's film builds into a compelling and darkly comic story of glorious music and human infamy. | ■ THE GREAT MR HANDEL (1942): No wig can turn the eccentric Wilfrid Lawson into Handel. And no Technicolor or Christian uplift can raise the spirits as this film made for Rank's inspirational division plods on its way. |
| ■ THE CHRONICLE OF ANNA MAGDALENA BACH (1966): J. S. Bach portrayed by that scholarly musician Gustav Leonhardt suits the minimalist style of director Jean-Marie Straub. Bach's social context comes through clearly. Beautiful and moving. | ■ LISZTOMANIA (1975): Ken Russell goes bananas, pouring out kitsch and juvenile fantasies with Roger Daltrey (Liszt), Paul Nicholas (Wagner) and a flatulent rock score arranged by Rick Wakeman. Almost unwatchable. |
| ■ A SONG OF SUMMER (1965): Ken Russell has made many of the worst musical biographies but also a few of the best. This Delius portrait, featuring Max Adrian, strikes a balance between the composer's dreamy melancholy and Russell's exuberance. | ■ SONG OF LOVE (1947): In an era ripe with musical hogwash, this MGM drama about those bothersome Schumanns (Katharine Hepburn and Paul Henreid) and their friend Brahms must be the worst. No unintentional laughs: it sits on the screen and dies. |
| ■ 32 SHORT FILMS ABOUT GLENN GOULD (1993): Francois Girard presents the composer/pianist's life with such insight, humour and imagination that it demands inclusion. | ■ SONG OF NORWAY (1970): Torvald Maurstad is the chap playing Grieg, but he pales beside the endless scenery, the ridiculous script and the fatuous musical adaptation by the Kismet team of Wright and Forrest. |
| ■ TOUS LES MATINS DU MONDE (1992): Alain Corneau's mesmerising portrait of Baroque musician Sainte-Colombe and his pupil Marin Marais (played at different ages by Gérard and Guillaume Depardieu). A wonderful surprise. | ■ SONG WITHOUT END (1960): And the film follows suit, as Liszt travels around Europe thrilling the ladies. Dirk Bogarde and the sets are both very pretty, but they act as morticians, touching up a corpse. |

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Peter Ackroyd on the volcanic Victorian sage who almost destroyed himself and his wife

The reputation of Thomas Carlyle has always suffered from false claims and inflated expectations. That is why, in this new and timely biography, Simon Heffer begins by charting the precipitate decline in his fame. It has been said that there was too much sound and fury in him, and indeed it seems that his career was very much like a storm: there was thunder, and sheet lightning, but it quickly passed from memory. If he is mentioned in these days, it is likely to be as the prototype of "the fascist" or, as Ruskin put it, a "moral desperado".

But here is the first mistake. Carlyle's opinions are not really very important. He was primarily a wonderful stylist and, therefore, a great if generally unacknowledged humorist. He himself may have believed his somewhat strident creed to be significant, but in fact the most important aspect of his work is its sheer inventiveness and verbal exuberance. He was a man of letters, but the letters were of fire; there is no one else like him in English literature.

Or perhaps it is better to say Scottish literature. He was born in Ecclefechan, close to the border; imaginatively, he lived in border country all his life. He came from Calvinist peasant stock and seemed destined to become a minister of that rigorous faith; in one sense he did attain that destiny, since his public manner was that of someone standing erect in a pulpit. But he went his own way, too. Like most of the great early Victorians (he was actually born in 1795, but belonged in spirit to the succeeding century), he was largely self-taught and self-inspired. He also possessed a characteristic fund of energy and strident will which forced him forward into the world.

It was fortunate that, in this period of awakening, Carlyle found Goethe and the transcendental mysticism, represented by his formula of the "Everlasting Yea": "All the elements of his nature, hitherto scattered and disordered,

were quickened and unified in a visionary moment when he understood the nature of the world. It was of course an early 19th-century vision, concerned with the nature of energy and power (at a slightly later date, Faraday was to see these same forces in a different context) but it was enough for Carlyle. He was not someone who willingly changed his mind any more than he entertained opposition, and it can fairly be said that his first vision remained with him for the rest of his life.

At the time he encountered German mysticism he also met Jane, the wife who has

MORAL DESPERADO
A Life of
Thomas Carlyle
By Simon Heffer

Weidenfeld & Nicolson, £20

since taken her place in cultural history as the quintessential literary victim. Their marriage began in gladness, but ended almost in madness as their combined resources of hypochondria, insomnia and depression overwhelmed them.

The truth is, according to Heffer, that Carlyle was, if not exactly impotent, then sexually inactive. It has even been suggested that he was homosexual, although his Calvinism no doubt prevented him from ever recognising the fact. He called Jane the "Necessary Evil" and from the beginning of the marriage, in Heffer's words, consigned her "to periods of numbing solitude and neglect". "My Husband always writing," she said later in one of those letters which secured her own literary reputation. "I always ailing."

Their famous house in Chelsea did indeed become a monument to the penalties, as well as the joys, of literature. The French Revolution was Carlyle's first popular success. Sartor Resartus having been consigned to the relative indignity of periodical publication, it was, as Heffer suggests,

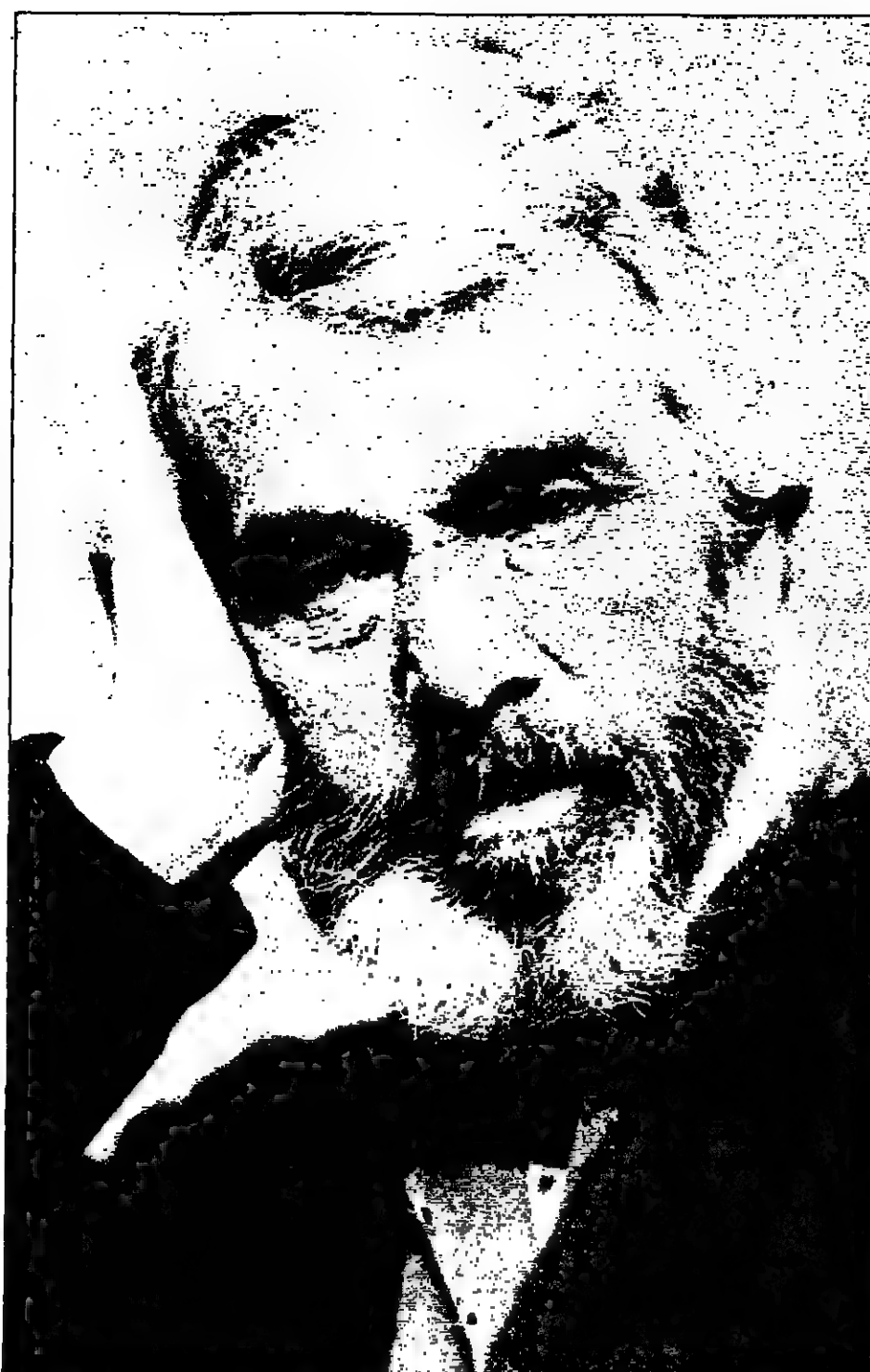
more of a prose poem than a history. In fact, it remains one of the most curious historical narratives ever published in English. Carlyle had a wonderful creative imagination, but he was one of those writers who could never be satisfied with composing fiction; he considered novels to be no more than very light entertainment, and so he created a new kind of imaginative history in which polemic and irony, mystical insight and comic bravado, are effortlessly conflated.

He was not appreciated by his more liberal contemporaries. A mystic who believed in the immanence of the eternal spirit is not likely to be exercised by Reform, and a savage ironist is most unlikely to be a democrat. (It might be said that all great wits are, of necessity, Tory.) Carlyle worshipped "greatness", despised English parliamentary democracy, detested those who wished to reform prisons or to free slaves, and generally exorated anyone who belonged to "the Universal Abolition of Pain Association".

On one level his adulation of the hero, the "Able-man", was a projection of his own personality into a larger sphere, but he genuinely espoused a philosophy which his disciple, Ruskin, summed up rather neatly — "a most sincere love of kings, and dislike of everybody who attempted to disobey them".

This may not quite explain Carlyle's loving threnody, *Oliver Cromwell*, although it is easy to see why he admired the dictator whom he claimed to be "the last glimpse of the Godlike" — "Courage, my brave one!" It is unusual for a biographer to address his subject so enthusiastically, but it does at least suggest an intimacy of purpose. He did not follow the same advice, however, and he proceeded almost to destroy both himself and Jane in the course of his travails over the six volumes of *Frederick the Great*.

Life at Chelsea became hell absolute. For some 12 years he



Carlyle: for his wife Jane "it must be next worse to be being married to Satan himself"

laboured in his soundproof room at the top of the house, largely ignoring his wife. She had a very clear idea of her husband by this stage, however, who was "as usual, never healthy, never absolutely ill — protesting against 'things in general'". A friend said that "it must be something next worse to being married to Satan himself", and in fact Jane began to keep a journal chronicling her wretchedness and isolation.

One cannot help feeling, however, that she might have tried a little harder to be happy. Yet it must also be said of her husband that few writers

have ever made such a fuss over the process of composition. For him it seemed to require complete nervous collapse and physical breakdown; no book could be finished without virtually destroying him first.

It all ended in misery. Here, perhaps, Heffer might have abandoned his admirable and rigorously objective style in the marshalling of events, simply in order to add a little drama: Jane Carlyle, dying bolt upright in her carriage, the husband discovering in her journals the evidence of his own wretched behaviour, the subsequent years of guilt

and shame. "Were not the fountain of tears quite dried in me," he told one contemporary, "I could feel it a consolation to sit and weep."

In fact he remained quite lively, travelling on the omnibus and receiving various distinguished visitors as his fame reached fever-pitch. Heffer is very good on these final days, and in fact this is a thorough and convincing account of the "sage". *Moral Desperado* may on occasions be prosaic, and even a little repetitive, but then what biographer, facing Carlyle's own sound and fury, would dare to compete?

Tale of a Tube and a Nazi in Birmingham

Alison Burns

CRAZY PAVING
By Louise Doughty
Touchstone, £9.99

GOING NAKED IS THE BEST DISGUISE
By Steven Jacoby
Secker & Warburg, £9.99

In these everlasting days of traffic gridlock and appalling weather, here's a piece for long-suffering commuters, especially those in London. *Crazy Paving* should, however, be approached with caution by anyone in senior management. Setting her first novel as much on the city's knackered public transport system as in the dodgy offices of the Capital Transport Authority, Louise Doughty has composed a revenge comedy specifically in honour of the oppressed secretaries of life (toilers among the pot-plants and filing cabinets, arise!).

Romance is in the air for neat, unhappy, middle-aged Annette. Older Joan has her hands full with bolshy Helen aka Helly, the office junior from Hell. But there is nasty work ahead, as seriously bent surveyor Richard, their boss, dooms part of London to further planning blight. At the warm heart of this story of office intrigue and corruption lies Rosewood Cottage — home, as it happens, to Helly's life-preservingly eccentric grandparents. As the plot thickens, Annette, Joan and Helly join in unlikely comradeship to expose Richard before he demolishes the cottage and sacks the lot of them.

Doughty's slow-cooking deadpan humour takes a little getting used to, but once you catch her stride you have to admit that life is very like this, exaggerations included. Helly's anarchic behaviour is a response to circumstances; she knows exactly whose side she's on. For Annette it is unlikely that there will be any release from death by gentle suffering and train cancellations unless Chance gives a hand. This Doughty gladly lays on, in a spectacular wish-fulfilling denouement at Victoria Station. Her comic debut is strong on the odd detail of insignificant lives.

Humour is tinged with rather more gravity in Steven Jacoby's first novel, *Going Naked Is the Best Disguise*, which captures the flavour of mid-century childhood in a provincial English household dominated by

the experience of Nazism. Narrated by a young boy growing up in Birmingham to the sound of Harold Wilson and the Rolling Stones, its emphasis is on the boy's confusing mother — a German beauty from the Nazi *Deutsche Mädel*, who married his English father when letters stopped arriving from her sweetheart in Germany.

This determined, unconventional woman, who Hoovers naked, keeps the clocks fast and has a mania for polishing, is a complex character. She covers her homesickness, guilt and disappointment with a fantastically brisk attitude to daily life in postwar Britain. Her husband, a jeweller and football fan, is gadget-mad. She goes for her annual two-month holiday to the German village of her childhood, where time seems to stand still.

When her son (an ordinary schoolboy charged at one point with comparing *Macbeth* with *Tarka the Otter*, since these are the only textbooks available) reads a cache of her love-letters, he finds surprising references to philosophy and physics. The boy is struggling to make his own sense of life, death, time, space and, not least, Aunt Betty (who keeps God at the bottom of her garden), when the mother is taken into hospital with a brain tumour. Father enjoys a break from too much domestic control, son practises a little presiding shoplifting; but both are quite relieved when she recovers.

This is a poignant and unsettling book, which picks its way through a family's memories in search of answers to the unanswerable.

Nursery classics enjoy second childhoods

Anyone compiling a Western Canon of children's literature (and some American academics, of course, have done so) should reserve places for *Little Women* and *Emil and the Detectives* (the Americans naturally put in the first, but had possibly never heard of the second). Both books warrant inclusion by virtue of a salutary freshness which they have brought to the dowdy purities of fictional realism.

"Truth, humor, and pathos" says Jo's mum about the attractions of the story with which her daughter has won acclaim — and Louisa May Alcott was surely setting out thus the reasons why her own *Little Women* was such a success. In a literary field dominated by too much wooden respectability and too much lacrimosity, the first part of her book, published by Roberts Brothers of Boston in 1868, had an instant appeal, apparently being read by everyone from "grave lawyers" to the boy in the elevator.

She had not been urged to its composition by Roberts's editor and laboured at it rather despairingly as task-work. But

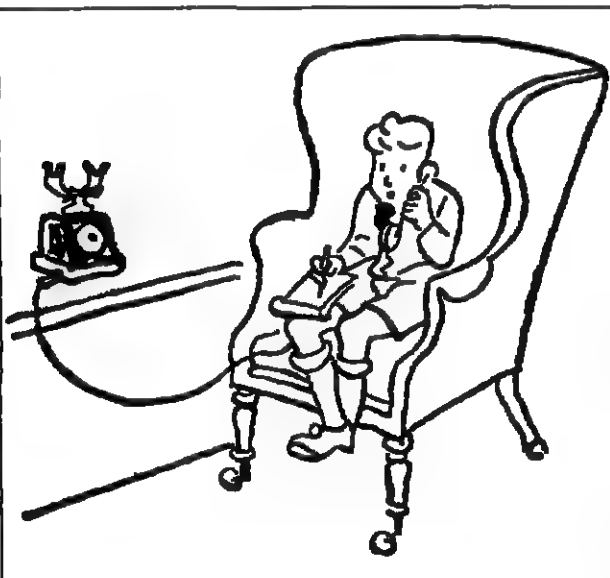
Brian Alderson

LITTLE WOMEN
Little Men, Jo's Boys
By Louisa May Alcott
Little, Brown, £4.99 pbk each

EMIL AND THE DETECTIVES
The Flying Classroom,
Lottie and Lisa
By Erich Kästner
Red Fox, £3.50 pbk each

it was a book rooted in personal experience — the "truth, humor and pathos" of a real family — and it was this which was to carry it round the world. Part Two — known in Britain as *Good Wives* — was written last to catch the book-side of popularity, and, like the good pro that she was, Alcott worked the seam further, but with diminishing freshness in *Little Men* (1871) and *Jo's Boys* (1886).

The books have never been out of print since, and their reappearance now "from the original publisher" is testimony to an optimistic belief that they can still speak to a modern audience. (The publisher is "original" simply



"Any reinforcements needed?" asked little Tuesday.

Walter Trier's illustrations suit Kästner's witty text

because Little, Brown bought up Roberts in 1998: and the new printing of *Little Women* follows a revised version which Alcott sanctioned in 1880, with modifications to the slang and homeliness that characterised the first edition.)

The arrival of *Emil und die Detektive* in the unstable Berlin of 1928 is hardly comparable to that of *Little Women* among the readers of the *Boston Evening Transcript*, but here too a mould was broken. The subject-matter

was one thing. Rarely had children been given a detective story of their own, and rarely had an urban setting been conveyed so naturally. But over and above this was Kästner's witty and occasionally ironically stilted stance as storyteller. His comic preface to the German edition has never, so far as I know, been translated, and Walter Trier's hilarious illustrations have never been properly reproduced here, but the two main English translations of 1931 and 1959 do catch something of Kästner's smiling humour, comradely without being avuncular.

Despite the difficulties of turning his loose-limbed prose into a natural English, both *Emil* and Kästner's later children's stories deserve their place in current paperback lists. Among recent reissues, *The Flying Classroom* is the most problematic: a German boarding-school story which is too short and superficial for its plot. Not even Kästner's conversational control can prevent cliché from intruding upon the character revelations that attend the school play, or upon the Town v. Gown battle,

with its unsavoury incident of the boy Kreuzkamm imprisoned in a cellar.

But *Lottie and Lisa* (£2.99) is a gem. First published in 1949, it is an early example of the now all-too-familiar "divorced parents" theme. Unlike most writers who exploit it today, however, Kästner hits upon a clever plot — separated twins changing places — and carries it through with a feeling for the comic rather than the lugubrious.

The confidence and flexibility of Kästner's style sustains him as a modern among moderns — but whether Alcott can still exercise power over young readers is much more uncertain. (Girls I've spoken to have encountered *Little Women* chiefly on film or in Ladybird travelesties.) Those with a leaning to dwell among the 19th-century properties, however, will still be won over by its authenticity — "we lived most of it" said Alcott — and its self-awareness (some of the ironic asides are the equal of Kästner's). But experience suggests that Jo and her extended family are now to be found not in soft-lit Concord drawing-rooms, but along the muddy highways of feminist criticism.

Pop goes the wonderful weasel of Oz

THE HEAD of a beautiful young woman floating in a jar of embalming fluid might be expected to cause trouble. For Tim Shea — owner of a general store in New South Wales — the sight of the head conjures up the woman's ghost. Her restless spirit explains the accidents, both fatal and comic, the quarrels, intrigues and betrayals, the plague and fire that beset him, his family and community.

All because this woman, the victim of a botched abortion, has not been identified, nor the man who sealed her fate punished. The burden of solving the mystery falls to Shea because only he is willing to acknowledge the supernatural forces that this injustice has unleashed. After all, it is 1900, and the expectation of Australia's rebirth as a Dominion the following year encourages optimism and the turning of blind eyes.

Shea too sees Australia as the promised land. He loves its raw, unspoiled beauty. But, as a God-fearing Catholic immigrant from Ireland, he still fears its excesses. He has not forgotten the 1892 flood which was so violent that the river shifted its course. If Australia is Eden it is after the Fall. The citizens have brought with them an average

Tania Rice
A RIVER TOWN
By Thomas Keneally
Sceptre, £15.99

measure of corruption and evil and Shea becomes embroiled in political, as well as celestial, disturbances.

Early in the book, Shea's part in an incident is exaggerated to heroic proportions by a local newspaper report. He sees that he is being manipulated, but it is helpless to prevent it. When the local loyalists start whipping up support for the British Boer War effort, he makes an admirable, if brief

protest which provokes their wrath and his fall from public grace. Australia's relationship to Britain and the vulnerability of the "ordinary bloke" to both natural and human forces greater than himself — these are familiar preoccupations of Keneally's. Neither the ideas nor the language are new-minted in this, his 23rd novel, though they are still the work of a great storyteller. It is the development of Shea's character that provides the main interest in this book.

Sickening as it is to watch well-intentioned Shea getting caught in the sticky fly-traps of other people's schemes, he is also infuriatingly slow-witted at times. Keneally keeps the pages turning as Shea stumbles into an almost unbelievable string of stomach-

tightening disasters. A provoking mixture of generosity and bigotry, sensitivity and pig-headedness, he also stumbles in and out of our affections. In the background, his diminutive but robust wife Kitty, with the help of her sisters, calmly schemes to keep the family from ruin and appears to be the more clear-sighted of the two.

In Keneally's *Schindler's Ark*, which Steven Spielberg adapted for his film *Schindler's List*, Schindler discovers hell on earth and must choose whether to do something or turn away. In *A River Town*, Shea realises that his obsession with the dead girl's identity is making things worse and his real heroism is her cause. No one is perfect in Keneally's world: it is whether people surrender to their worst impulses or respond to their better ones which proves their moral worth.



Kempsey, New South Wales: the setting for Keneally's 23rd novel, which revolves around a dead girl's identity

To this pleasing, though at times somewhat predictable read, Keneally brings an unexpected twist. To say exactly what that twist is would ruin the story, but it brought from me a howl of protest. To see suspicions which were formed

in Shea's bigoted frame of mind justified, and the reliable Kitty wrong-footed, is extremely uncomfortable. It also updates the otherwise sugary Victorian resolution to our provocative 20th-century uncertainty.

THE TIMES Penguin FESTIVAL OF FICTION

PENGUIN Books is 60 years old this year. In the fifth of a six-week series in which *The Times* publishes excerpts from contemporary reviews of famous novels on the Penguin list, Laurie Lee's *Cider With Rosie*, which subsequently sold over a million copies in Penguin, is heralded quietly.

The evocation of childhood seems to hold an especial enchantment for poets; and the harder the life, the sharper the response. Mr. Lee's was a country, a Cotswold village childhood where, in the 1920s, as one of a family of nine abandoned by his father he knew the harshness of hunger, poverty, superstition, and illness. But he knew, too, the comfort of the cottage hearth, the warmth of companionship.

The village was no pagan paradise, but abided by its own unwritten rules, peopled by characters who have doubtless blossomed more fully with the passing of time: Granny Trill and Granny Wallon, Albert the Devil and Cabbage-Stump Charlie. Mr. Lee writes with a wealth of imagery and at times with almost a pyrotechnic prose; it soars and flashes and sometimes by its very brilliance dazzles and bemuses the eyes; but when that happens one can always turn to the restful relief of Mr. John Ward's more than adequate drawings.

(*The Times*, November 12, 1959)

Exciting author events in March

THE PENGUIN Festival of Fiction will feature eight midweek and weekend events throughout March, with more than 40 Penguin authors taking part in debates, readings, workshops and signings. Everyone attending will be entered into a FREE PRIZE DRAW to win a hamper full of Penguin goodies each Wednesday and a COMPAQ PRESARIO 460 all-in-one home computer each Saturday.

SATURDAY 18 MARCH
Royal Exchange Theatre, Manchester.
Price £3.50/£2.50 (concessions).
Supported by Blackwells.
10.00am Penguin Slush: Claire Rayner, Sarah Dunant, Imogen Parker
10.45am Contemporary Fiction: Penelope Lively, Jonathan Coe, Hilary Mantel, Barry Hines
11.30am Book Signing
12.00pm Sex and Conflict: Andrea Newman, Carol Cleveland
12.45pm Fiction on Screen: Howard Jacobson, Beryl Bainbridge, Michael Frayn
1.30pm Signing
Tickets available from the Royal Exchange Theatre, telephone: 0161 833 9333

Win a COMPAQ PRESARIO 460 all-in-one home computer complete with an excellent selection of pre-installed software. Compaq is the world's leading computer manufacturer, renowned for its quality and reliability.

WEDNESDAY 22 MARCH
The Lord Rook Room, Wesley House, Jesus College, Jesus Lane, Cambridge CB5 8BL.
Price £3.50/£2.50 (concessions).
Supported by WH Smith.
7.00pm Short Stories, Long Stories: Sybil Marshall, Susan Hill
7.45pm Book Signing
8.00pm Barbara Vine/Ruth Rendell
8.45pm Signing
Tickets available from WH Smith. Cambridge telephone: 0223 311 313
Win a hamper full of Penguin goodies.



THURSDAY
Section
on
ext 130
9313

Answers on page 38

Ultimate test of nerve that can mean make or break

ices' Hurdle, with the 7 chance Putty Road, who, powerfully assisted by Norman Williamson, forced his head front on the line to deny the Oliver Sherwood-trained Berude Not To after a memorable duel.

It was Williamson again who later hoisted a Nicholson treble when Kadi proved too strong for Dublin Flyer in the Mildmay Of Flete Chase. At times, this can be a cruel game.

Williamson proves a hard man to beat

and races with great enthusiasm. Hallkapous has an obvious standing chance in the Stayers Hurdle. Admittedly his best form is on faster ground, but he is the class horse of the race.

Another major player is the Totol Cheltenham Gold Cup where I ride Flashing Steel. He is a big price but I do not think this reflects his chance. He seems to be coming back to his best form at the right time.

Coulton runs in the Cathcart having sidestepped yesterday's Queen Mother's Champion Chase. The condi-

The old-timers believe that, like Becher's Brook, the danger and the challenge has been anaesthetised by the modifications. Either way, it is still a fence Brendan Powell enjoys having behind him.

"You look forward to jumping it, but once you're over it, you feel good. And if you get it absolutely right, it's brilliant." He has a picture on his wall at home, of him and Dublin Flyer doing just that last year.

— 4. —

RACING 36, 37

BITTER-SWEET VICTORY
FOR NICHOLSON
IN CHAMPION CHASE

SPORT

THURSDAY MARCH 16 1995

RUGBY UNION 38

CAN SCOTLAND SPOIL
ENGLAND'S GRAND
FINALE ONCE AGAIN?

New recruit may miss season's start

Mansell feels
the squeeze
with McLaren

BY OLIVER HOLT

THE McLaren Formula One motor racing team admitted last night that its new recruit, Nigel Mansell, may be forced to miss the first two races of the grand prix season while a new chassis is built for him.

Mark Blundell, a former McLaren test driver, and Martin Brundle, who drove for the team last year, are the favourites to replace him.

Mansell, the 1992 world champion, signed for McLaren in a blaze of publicity last month, but it soon became apparent during testing in Portugal that the cockpit of the team's new car was too small for him and was causing him so much discomfort that it was inhibiting his ability to record fast times.

The team said at the time it was just a matter of fine-tuning but yesterday, amid feverish activity at its factory in Woking, new information emerged. The team will decide later this week whether the existing car can be modified to accommodate Mansell or whether the alterations needed are so extensive that they would prejudice its safety.

It would take the team a month to six weeks to build a new chassis, ruling Mansell, 41, out of the first two races of the season in Brazil, on March 26, and Argentina, on April 9. That would be a severe blow to his hopes of playing a part in the championship race and an embarrassment for McLaren and its new engine partners, Mercedes.

"The idea is for Nigel to test again in the second half of the week," a McLaren spokesman said last night. "There is only so much one can do to a tub and if we feel the safety aspect of the car is being compromised by the changes we will have to grasp the nettle and say it may be better to build a new one. There is a problem and we are addressing it."

"But it may be that the

alterations are sufficient and Nigel can drive it immediately. It may be that he will drive the existing car in the first two races while a new one is being made. Nothing has been decided yet. Blundell is somebody who is being talked about as a temporary replacement. He would be a strong candidate because, if someone is going to drive the car for a couple of races, you want an experienced guy in there."

Mansell, who was originally scheduled to return to the Estoril track in Portugal on Tuesday, returned to the Isle of Man from his golf club in Devon last night without com-

structed for him already and conduct stringent crash tests on the new one. It is likely to cost more than £1 million.

Blundell, who had been contemplating a long, hard season trying to force his way back into Formula One after being dropped by Tyrrell, is thought to have spent yesterday at Woking. He was already discussing the idea of doing some test driving for McLaren and was planning to go to Brazil "so people don't forget me".

He may get an opportunity sooner than he anticipated and the irony of his situation will not be lost on him. Two days ago, he said: "I've had offers from IndyCars, British touring cars and GT racing and I have turned them down because I am focused on returning to Formula One."

"I don't want to block the situation if an opportunity should arise. I'm still only 28 and at the end of it all someone will have to say 'well we can't overlook someone like that; it's not right'. For too long I've been in the right place at the wrong time."

His chief rival may be Brundle, who will drive for Ligier this season but only after Aguri Suzuki has completed for an unspecified number of grands prix at the start of the year to satisfy the team's engine suppliers, Mugen-Honda. The Norfolk-based driver would be free to compete in the first two races, but said last night he had not been in contact with McLaren.

At Estoril this week, Damon Hill has continued to show the potential of the Williams-Renault, setting the fastest time in testing of 1min 21.66sec. He bettered the time of Michael Schumacher, the world champion, in a Benetton-Renault of 1:22.29.

The Arrows team was yesterday testing its high-tech FA16 car, which features a McLaren-style raised nose and a hand-controlled clutch system, at Silverstone. Gianni Morbidelli, the Italian, and Taki Inoue, of Japan, are the drivers.

menting on his situation. His car stayed at Woking and his team-mate, Mika Hakkinen, who earlier described driving the car as "running the London Marathon with shoes that are too small", continued testing in Portugal.

The car was built with Hakkinen's lithe build in mind and its designers may also have anticipated that David Coulthard would be his partner, not Mansell, who was a last-minute signing. If they do decide to build a new car for Mansell, who is 5ft 9in and 12st, they will have to scrap however many they have con-

structed for him already and conduct stringent crash tests on the new one. It is likely to cost more than £1 million.

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LUC ALPHAND, of France, glides in style on his way to winning the men's downhill at Bormio, Italy, yesterday and capturing the downhill World Cup title.

Alberto Tomba won Alpine skiing's overall World Cup title yesterday from the comfort of home as Marc Girardelli failed to secure the downhill win

needed to keep the contest alive. Picabo Street, of the United States, already crowned downhill queen, claimed her sixth victory this season.

"I dedicate this victory to all my fans but I also want to spare a thought for Thomas Fogdö," Tomba said after watching the race at home on television. Fogdö, of Sweden, one of Tomba's slalom rivals, does not know whether he will be able to walk again after incurring a back injury in training.

Tomba has an unassailable lead of 350 points over Jure Kosir, of Slovenia. In the overall standings, with Girardelli a further 30 points adrift.

Results from Bormio, page 35

Arsenal
ready
to risk
injured
SeamanFROM ROB HUGHES
FOOTBALL CORRESPONDENT
IN AUXERRE

TONIGHT, in this proud Burgundy town which gave us the mixed blessing of Eric Cantona, Arsenal will seek to emulate Chelsea in restoring England's reputation in the Cup Winners' Cup.

Arsenal are, of course, the holders of this trophy, but George Graham has gone, the certainty of Arsenal's obdurate away defending has waned and if the club is indeed to join its London neighbours in the semi-finals, it may have to take risks and depend heavily on David Seaman.

The goalkeeper has a hair-line fracture of the rib. When he had a similar injury earlier in the season, it required six weeks of rest; tonight, there is apparently nothing that medical science can do for him. It is all down to courage.

On arrival here, the goalkeeper took matters into his own hands. "It would be a risk — I haven't been able to dive and the rib is very sore, but it cannot get any worse," he said. Therefore the gamble seems to be on and, barring a change of heart today, Seaman will play.

In attack, Ian Wright will probably be partnered by John Hartson. Their force and their guile will be measured against a French defence that has been strengthened since the 1-1 draw at Highbury. Taribo West, the raw young Nigerian, is suspended, but his replacement is the more composed Franck Silvestre.

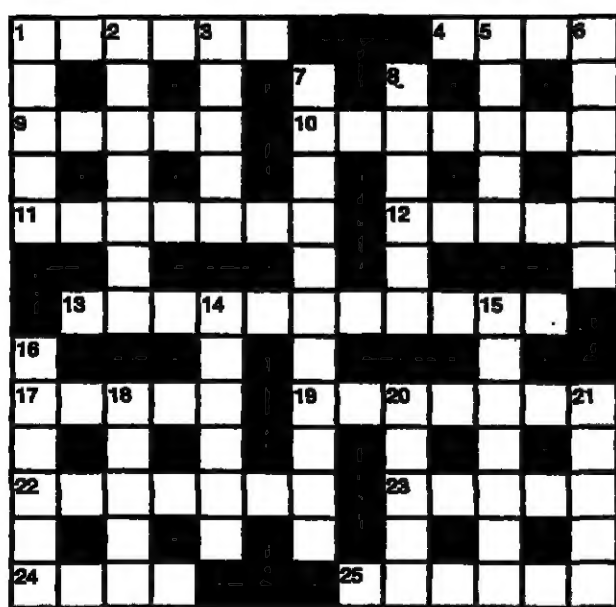
However, Auxerre do have problems in converting their considerable pedigree into victories. They are the draw specialists of their nation, but the loss, through a broken leg, of the midfield player, Philippe Violeau, is more than compensated for by the return of the Algeria international, Moussa Saib, who missed the first leg. There is a doubt over the participation of Corentin Martins, the slender, elegant playmaker, who has been troubled by a groin injury.

If Arsenal can weather pain and doubt, if they can score as well as at least draw, then the prospect of an all-England final in the competition would be a palliative for the country's besmirched name abroad.

Blind bookmaker, page 5
Chelsea's pride, page 35



Mansell: discomfort

TIMES TWO
CROSSWORD

No 421

ACROSS

- 1 Informal garment (1-5)
- 2 Precisely (2,1,1)
- 3 Pungent, bitter (5)
- 10 Disorganised, erratic (7)
- 11 Hard to trap (7)
- 12 Short vowel mark; long mus. note (5)
- 13 Walk around (11)
- 17 Repugnance (5)
- 19 Festive state (7)
- 22 Bird, noted thief (7)
- 23 Largest Greek island (5)
- 24 Disguise for face (4)
- 25 Abused; on (US) candidates list (6)

DOWN

- 1 Make fun of (5)
- 2 Hairy (7)
- 3 Lines from centre to rim (5)
- 5 Hold forth with view (5)
- 6 Wobble (6)
- 7 Closely linked (5,2,4)
- 8 Instrument for clashing (6)
- 14 Spanish invasion fleet (6)
- 15 Divide equally into three (7)
- 16 What the Snark really was (6)
- 18 Anvil bone of ear (5)
- 20 Nearby; pub (5)
- 21 Give way; produce (5)

SOLUTION TO NO 420

- ACROSS: 1 Judges 5 Ides 9 Genesis 10 Samuel 11 Juliette 12 Savant 15 Tomist 18 Objector 20 Number 22 Mongrel 23 Ruth 24 Helots
- DOWN: 2 Unglue 3 Gunfight 4 Susan 6 Doom 7 Screen 8 Asses 13 Visceral 14 Stormy 16 Ocular 17 Job lot 19 Jonah 21 Bolt

TIMES PUBLICATIONS: The Times Guides: English Style and Usage (HB) £8.99. International Finance, Japan, Nations of the World, Middle East, Good University Guide 1994-5, Single European Market £9.99 each. Peoples of Europe (HB) £16.99. European Parliament - June 1994 (HB) £26. NEW The Times Guide to the New British State £17.99. The Times Maps: The World (Wall Map laminated) 62"x40" £15.99. (folded) 48"x30" £5.99. Miscellaneous: The Times Night Sky 1995 £4.99. The Times 1000 1995 (HB) £3.50. The Times Concise Atlas of the Bible (HB) £13.99 (reduced from £15.99). The Sunday Times Book of Answers £4.50. Book of Brain teasers £5.49. Prices include P&P (UK). Cheques with order payable to Alkon Ltd 51 Manor Lane, London, SE13 5QW. Return delivery. Tel. 0181 852 4575 (24hrs) No credit cards.

Rowell fixes sights on new horizons

BY DAVID HANDS
RUGBY CORRESPONDENT

WHATEVER the outcome of the decisive meeting between England and Scotland in rugby union's five nations championship at Twickenham on Saturday, Jack Rowell, the England manager, believes that his team has the ability and the players to conquer fresh fields.

"We can see further things to add to this team and the personnel in it, and the players see them too," Rowell, who is on the verge of a grand slam in his first full season in office, said. He acknowledged that his team is favoured to beat Scotland, the other unbeaten side in the championship, but said that England must come to terms with their status.

"I would like to think this England team can impose its skills and will on the opposition," he said. "If we are favourites for the right rea-

sons, then let's accept that and change the English psyche. Everyone seems to think it's a good thing to go into a match as second favourites — I think that's nonsense."

England have gone through the championship with the same team, but, during training yesterday, Graham Dawe,



Rowell: looking ahead

the replacement hooker, was carried off with a strained calf muscle. Mark Regan and Richard Cockerill, England's next two best hookers, are on the far side of the equator preparing with England A to play Natal in Durban, so, should Dawe withdraw, Gareth Adams, Dawe's deputy at Bath and one of England's emerging players, is likely to be called up.

Meanwhile, there seems little prospect of the championship trophy being presented immediately after the final whistle, despite an appeal from the donor to that effect. Mike Davies, the businessman who also chairs the trust which looks after the trophy, has contacted Dennis Easby, the president of the Rugby Football Union, in the hope that the decision that the trophy should be presented during the official banquet on Saturday evening could be rescinded.

In the first year of its inception, the trophy was not presented formally to France because it could not be confirmed that they were champions until the result from Dublin became known later in the afternoon. Last year, Wales lost to England at Twickenham but then received the trophy from Her Majesty the Queen.

Now, when the outcome will be crystal clear, the refurbishment of Twickenham is in the way. VIPs, including the Princess Royal and Prince Edward, are temporarily housed in the southeast corner rather than in the presentation area in the west stand. "The Bowring Bowl for the winners of the University match was presented when the stand was even less finished last December," Davies said. "This is the people's trophy."

Andrew and work, page 14
Scots recall 1990, page 38

Maguire misses Cheltenham treble

BY RICHARD EVANS
RACING CORRESPONDENT

THE hype and razzmatazz which inevitably surround top sporting occasions was put into perspective yesterday when Adrian Maguire announced that he would remain in Ireland after the funeral of his mother on Tuesday and not ride Barton Bank in the Tote Gold Cup at Cheltenham this afternoon.

The decision came as David Nicholson, the champion trainer who retains Maguire, sent out three winners on the second day of the Festival which, in normal events, would have been ridden by him. The 181-l treble included Viking Flagship, who won the day's feature race, the Queen Elizabeth Champion Chase, for the second year running.

Maguire's understandable absence has added a sombre note to the three-day meeting and, after the success of Viking

Flagship, Nicholson spoke for many. "I just feel very emotional that Adrian was not here riding Viking Flagship. I'm fearfully sorry for him. He's done all the hard work with the horse over the last two years and, on his day of glory, he couldn't ride him. I just hope Adrian's all right."

Barton Bank, who fell at the final fence of the King George VI Chase at Kempton on Boxing Day when several lengths clear, will be ridden today by David Bridgwater, who served his apprenticeship with Lester Piggott. Kim Bailey and Norman Williamson, the trainer and jockey of Alderbrook, winner of the Champion Hurdle on Tuesday, will attempt to complete a rare double with Master Oats, the probable favourite.

While the strong Irish challenge was rewarded with its third success of the meeting yesterday when Chance Coffey won the Coral Cup, there were some

serious backers out of pocket last night after Harcon, one of the Irish bankers of the meeting, finished second in the Sun Alliance Chase.

Jim Dreaper's chaser was backed to take nearly £300,000 out of the ring in large bets alone, including two wagers of £70,000 to £40,000 and one of £35,000 to £20,000. The race was won by Brief Gale, a 7-1 shot trained by Josh Gifford and a first Festival winner for his young jockey, Philip Hyde.

Perhaps, the heavy losers will be tempted today by the Tote Jackpot, not won on the first two days of the Festival. With £142,510 carried forward, the pool is likely to exceed £250,000 today. To scoop all or part of the pool, a backer must select the winners of the first six races — almost as easy as winning the Lottery.

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